STATEMENT OF RESPONSIBILITY ON THE CONTENT OF THE ANNUAL FINANCIAL REPORT CORRESPONDING TO THE ACCOUNT PERIOD CLOSED ON DECEMBER 31, 2022 FROM GENERAL DE ALQUILER DE MAQUINARIA, S.A.:

The Company Management issues this annual financial report corresponding tot the year end on December 31, 2022 by signing the document below:

As per art. 8.1.b) under Royal Decree 1362/2007, all members of General de Alquiler de Maquinaria, S.A. Board of Directors state that, insofar as they know, the annual financial statements for the year end on December 31, 2022, have been drawn up under the applicable accounting standards, offer a faithful image of the net asset, financial situation and results of General de Alquiler de Maquinaria, S.A. and the companies comprising the consolidated Group taken as a whole, and that the jointly approved management report includes a faithful analysis of the business earnings and the positions of General de Alquiler de Maquinaria, S.A. and the companies comprising the consolidated Group taken as a whole, along with the description of the main risks and uncertainties facing them.

Mr. Pedro Luis Fernández
CEO - President

Mr. Francisco Lopez Peña
Director

Ms. Patricia Riberas López
Director

Ms. Verónica María Pascual Boé
Director

Mr. Jacobo Cosmen Menéndez
Director

Mr.
Director

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

Auditor's Report on General de Alquiler de Maquinaria, S.A. and subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of General de Alquiler de Maquinaria, S.A. and Subsidiaries for the year ended 31 December 2022)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Ventura Rodríguez, 2
33004 Oviedo

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of General de Alquiler de Maquinaria, S.A.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of General de Alquiler de Maquinaria, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of goodwill

See notes 2.8, 4.1 d) and 8 to the consolidated annual accounts

Key audit matter	*How the matter was addressed in our audit*
At 31 December 2022 the Group has goodwill of Euros 25,362 thousand. The Group assesses the recoverable amount of goodwill at the end of each reporting period. The recoverable amount is calculated as the higher of value in use and fair value less costs to sell. The fair value less costs to sell is in turn calculated using the discounted cash flow method or as the market value of the second-hand machinery less costs to sell. As a result of the Group's assessment, the Directors are of the opinion that there is no impairment of goodwill as the recoverable amount is considered to be higher than the carrying amount. The estimate of the recoverable amount requires value judgements and entails inherent uncertainty and we have therefore considered this a key audit matter.	Our audit procedures included the following: • Regarding the determination of the fair value obtained by cash flow discounting: – testing the design and implementation of the key controls related to the measurement process; – involving our valuation specialists to assess the reasonableness of the pricing model used by the Group and of the main assumptions considered; – contrasting the consistency of the segment information included in the pricing model with the business plan approved by the Company's governing bodies. We also compared the cash flow forecasts estimated for segments in previous years with the actual cash flows obtained. – assessing the appropriateness of the composition of the CGUs based on our understanding of management of the business. • Regarding the determination of fair value obtained on the basis of the market value of the second-hand machinery: – testing the design and implementation of the key controls related to the machinery measurement process; – evaluating the reasonableness of the Group's estimation of fair value less costs to sell and comparing this value with the carrying amount; – obtaining historical records of the Group's sales of second-hand machinery.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Recoverability of goodwill See notes 2.8, 4.1 d) and 8 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
	– assessing, for a sample of sales of second-hand machinery in 2022, the amount of the sale, and comparing it with the carrying amount of the machinery sold; – analysing the sales of second-hand machinery made after the reporting date and assessing whether they were made for an amount higher than their carrying amount. We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the applicable financial reporting framework.

Machinery repair and maintenance, renewal, extension and improvement costs See notes 2.5, 4.2 c) and 7 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
Considering the nature of the sector in which it operates, the Group annually incurs a high volume of repair and maintenance, renewal, extension and improvement costs. In 2022, the Group capitalised renewal costs for an amount of Euros 8,019 thousand, recognising them as additions to property, plant and equipment under machinery. Capitalised amounts recognised as an increase in the value of assets under the applicable financial reporting framework should reflect only renewal, extension and improvement costs, whereas repair and maintenance costs may not be capitalised and should be recognised as expenses for the year. Due to the judgement required to determine whether the costs incurred meet the criteria for capitalisation, there is a risk that the Group may capitalise costs which, due to their nature, should be recognised as an expense for the year and, conversely, may recognise expenses in the income statement for the year which, due to their nature, should be classified as assets. For this reason, this has been considered a key audit matter.	Our audit procedures on the capitalisation of machinery costs included the following: - gaining an understanding of the process carried out by the Group to capitalise the costs incurred; - testing the design and implementation of the key controls related to the process for capitalising additions to property, plant and equipment, particularly machinery; - evaluating, for a sample of additions to machinery in 2022, whether the capitalised costs meet the conditions for capitalisation set forth in the applicable financial reporting framework; - assessing, for a sample of additions to machinery in 2022 related to renewals, whether for every addition an associated replaced item was derecognised. We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the applicable financial reporting framework.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Business combinations See notes 2.2 a), 4.1 g) and 6 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
As mentioned in note 6 to the accompanying consolidated annual accounts, the Group has entered into significant business combinations during 2022. The accounting of these transactions was complex and required the application of value judgements in identifying and determining the fair value of the assets acquired and liabilities assumed. As a result of these transactions and in accordance with the applicable financial reporting framework, the Group has recognised goodwill amounting to Euros 4,883 thousand. We consider that these transactions are a key audit matter due to its significance and the inherent judgement involved in making fair value estimates.	Our audit procedures included the following: - testing the design and implementation of the key controls related to the process of identifying and recognising assets acquired and liabilities assumed in business combinations; - reading and understanding the sale-purchase agreements regarding the business combinations that occurred during the year; - reviewing the balance sheet of the acquired businesses at the acquisition date to identify the assets and liabilities existing at that date; - assessing the methodology and key assumptions used to determine the fair values of the assets acquired and liabilities assumed and their identification. We also assessed whether the disclosures in the consolidated annual accounts regarding these transactions meet the requirements of the applicable financial reporting framework.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2022 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2022, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.
- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital files of General de Alquiler de Maquinaria, S.A. and Subsidiaries for 2022 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Company, which will form part of the annual financial report.

The Directors of General de Alquiler de Maquinaria, S.A. are responsible for the presentation of the 2022 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the “ESEF Regulation”).

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Additional Report to the Audit Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 28 February 2023.

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 9 June 2020 for a period of three years, from the year ended 31 December 2020.

Previously, we had been appointed for a period of three years, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2017.

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

This report corresponds to stamp number 09/23/00221 issued by the Spanish Institute of Registered Auditors (ICJCE).

(Signed on original in Spanish)

On the Spanish Official Register of Auditors ("ROAC") with No. 22,472

GENERAL DE ALQUILER DE MAQUINARIA, S.A. AND SUBSIDIARY COMPANIES

Consolidated annual accounts corresponding to the accounting year end on December 31, 2022 and consolidated management report corresponding to the accounting year 2022

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

Index - Consolidated annual accounts corresponding to the accounting year 2022

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

GENERAL DE ALQUILER DE MAQUINARIA, S.A. and SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2022

Thousand euros

		As of December 31	
ASSETS	**Note**	**2022**	**2021**
Non-current assets			
Property, plant and equipment	7	164,255	144,269
Goodwill	8	25,362	20,479
Other intangible assets	8	5,712	5,047
Right-of-use assets	16	91,681	74,245
Financial assets	9 and 11	4,624	4,532
Investments in companies accounted for using the equity method	19	1,098	1,368
Other non-current assets	9	1,057	457
Deferred tax assets	20	5,826	4,364
Total non-current assets		**299,615**	**254,761**
Current assets			
Inventories	12	32,547	18,382
Trade and other receivables	9 and 10	58,654	50,506
Tax assets on current earnings		237	-
Other current assets	11	928	1,680
Cash and cash equivalents	13	57,541	13,880
Total current assets		**149,907**	**84,448**
TOTAL ASSETS		**449,522**	**339,209**

Notes included on pages 10 to 116 are an integral part of these consolidated annual accounts.

GENERAL DE ALQUILER DE MAQUINARIA, S.A. and SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2022

Thousand euros

		As of December 31	
LIABILITIES	**Note**	**2022**	**2021**
EQUITY			
Equity attributable to owners of parent		**93,506**	**84,503**
Share capital	14	94,608	94,608
Share premium	14	58,476	58,476
Treasury shares	14	(49)	-
Retained earnings	14	(62,740)	(70,651)
Other equity instruments		6,999	6,999
Reserve of exchange differences on translation		(3,788)	(4,929)
Non-controlling interest		**4,039**	**420**
Total equity		**97,545**	**84,923**
Non-current liabilities			
Provisions	21	1,241	641
Bond issues and other marketable securities	9 and 17	29,691	29,661
Loans and other financial debts	9 and 17	115,299	44,912
Lease liabilities	9 and 16	59,637	60,025
Client contract liabilities	18	11,008	5,913
Deferred tax liabilities	20	271	984
Total non-current liabilities		**217,147**	**142,136**
Current liabilities			
Provisions		475	660
Bond issues and other marketable securities	9 and 17	22,352	21,277
Loans and other current financial debts	9 and 17	33,266	27,438
Lease liabilities	9 and 16	23,389	18,496
Client contract liabilities	18	5,049	2,506
Trade and other payables	9 and 15	50,299	41,458
Tax liabilities on current earnings		-	315
Total current liabilities		**134,830**	**112,150**
TOTAL LIABILIATIES AND EQUITY		**449,522**	**339,209**

Notes included on pages 10 to 116 are an integral part of these consolidated annual accounts.

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

GENERAL DE ALQUILER DE MAQUINARIA, S.A. and SUBSIDIARY COMPANIES
CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 31, 2022

Thousand euros

		As of December 31	
	Note	2022	2021
Revenue	22	223,239	168,262
Other income	7	10,532	8,001
Cost of sales	23	(80,622)	(60,127)
Personnel expenses	25	(52,731)	(43,071)
Impairment loss recognised in profit or loss	7 and 10	-	(452)
Depreciation and amortisation expense	7, 8 and 16	(41,223)	(32,057)
Share of profit (loss) of associates accounted for using equity method		(273)	190
Negative difference in business combinations	6	-	1,265
Other operating expenses	24	(42,269)	(30,990)
Operating income		**16,653**	**11,021**
Financial income	26	143	244
Financial expense	26	(9,334)	(7,763)
Exchange differences	26	(413)	17
Financial result		**(9,604)**	**(7,502)**
Pre-tax profit		**7,049**	**3,519**
Income tax	27	818	(822)
Year-end results		**7,867**	**2,697**
Profit attributable to:			
Owners of parent		**7,660**	**2,631**
Non-controlling interest		**207**	**66**
Earnings/(loss) per share in euros (Note 28):			
Basic		0.08	0.03
Diluted		**0.08**	**0.03**

Notes included on pages 10 to 116 are an integral part of these consolidated annual accounts.

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

Thousand euros

	As of December 31	
	2022	2021
YEAR-END RESULT	**7,867**	**2,697**
OTHER COMPREHENSIVE INCOME		
Entries that are to be reposted subsequently to results:		
Translation differences in foreign currency	1,141	(31)
Total entries to be reclassified subsequently to results	**1,141**	**(31)**
Total comprehensive income for the period, net of taxation	**9,008**	**2,666**
Attributable to:		
- Owners of parent	8,801	2,600
- Non-controlling interest	207	66
	9,008	**2,666**

Notes included on pages 10 to 116 are an integral part of these consolidated annual accounts.

Thousand euros

	Year ended on December 31	
	2022	2021
Pre-tax year-end results	**7,867**	**2,697**
Adjustments to reconcile profit (loss)	**48,430**	**42,860**
+ Income tax expense	(818)	822
+ Depreciation and amortisation expense (Note 7, 8 and 16)	41,223	32,057
+ Other expenses - Stock options (Note 25)	-	42
+ Impairment loss (reversal of impairment loss) recognised in profit or loss (Notes 7, 10 and 12)	745	943
+ Financial expense	9,747	7,763
- Financial income	(143)	(261)
- Benefits from investments in companies accounted for using the equity method	270	(190)
- Negative difference in business combinations	-	(1,265)
+/- Other adjustments to reconcile profit (loss)	(2,594)	2,949
Increase (decrease) in working capital	**(4,948)**	**(4,209)**
Decrease (increase) in inventories (Note 12)	(10,365)	(9,049)
Decrease (increase) in trade and other receivables.	(7,536)	(9,046)
Decrease (increase) in other current assets and liabilities	(58)	(535)
Change in trade and other payables (Note 15)	7,471	10,394
Change in other assets and liabilities	5,540	4,027
Other inflows (outflows) of cash, classified as operating activities	**(1,807)**	**(904)**
- Income tax paid	(1,807)	(904)
1) Cash flows from operating transactions	**49,542**	**40,444**
Outflows of cash from investing activities	**(50,208)**	**(39,806)**
Financial investments	-	-
Business combinations	(5,801)	(8,706)
Outflows for investment in tangible and intangible fixed assets	(44,407)	(31,100)
Inflows of cash from investing activities	**7,793**	**-**
Property, plant and equipment	7,793	-
2) Cash flows from investment activities	**(42,415)**	**(39,806)**

Thousand euros

	Year ended on December 31	
	2022	2021
Other inflows (outflows) of cash from equity instruments	**3,391**	**-**
+ Capital increase	3,440	-
- Treasury shares	(49)	-
Other inflows (outflows) of cash from financial liabilities	**33,143**	**(7,731)**
Proceeds from borrowings, classified as financing activities (Note 17)	63,378	50,600
Increase (decrease) in other debts (Note 17)	33,338	3,060
Repayments of debts (Note 17)	(33,441)	(41,033)
Financial expenses (Note 26)	(6,855)	(4,544)
Payments arising from lease liabilities (Note 16)		
From operational investments	(16,800)	(9,823)
From other leases	(6,477)	(5,991)
Cash flows from financing activities	**36,534**	**(7,731)**
Increase (decrease) in cash and cash equivalents	**43,661**	**(7,093)**
Cash or cash equivalents at the start of the fiscal year	**13,880**	**20,973**
Cash or cash equivalents at the end of the fiscal year	**57,541**	**13,880**
Variation	**43,661**	**(7,093)**

Some of the acquisitions of property, plant and equipment and intangible assets were financed through short-term and long-term arrangements with financial entities and non-current asset suppliers. Therefore, the addition of property, plant and equipment for the year in the balance sheet does not correspond to out-flow for material investments in the cash flow statement.

Notes included on pages 10 to 116 are an integral part of these consolidated annual accounts.

GENERAL DE ALQUILER DE MAQUINARIA, S.A. and SUBSIDIARY COMPANIES
STATEMENT OF CHANGES IN EQUITY AS OF DECEMBER 31, 2022

Thousand euros

	Share capital	Share premium	Treasury shares	Retained earnings	Other equity instruments	Reserve of exchange differences on translation	Non-controlling interest	Total equity
BALANCE AS OF DECEMBER 31, 2020	**94,608**	**58,476**	**-**	**(73,279)**	**6,957**	**(4,898)**	**263**	**82,127**
Profit (loss)	-	-	-	2,631	-	-	66	2,697
Total other comprehensive income	-	-	-	-	-	(31)	-	(31)
Total comprehensive income	**-**	**-**	**-**	**2,631**	**-**	**(31)**	**66**	**2,666**
Other adjustments in equity	-	-	-	(3)	-	-	91	88
Valuation stock-options (Note 25)	-	-	-	-	42	-	-	42
BALANCE AS OF DECEMBER 31, 2021	**94,608**	**58,476**	**-**	**(70,651)**	**6,999**	**(4,929)**	**420**	**84,923**

	Share capital	Share premium	Treasury shares	Retained earnings	Other equity instruments	Reserve of exchange differences on translation	Non-controlling interest	Total equity
BALANCE AS OF DECEMBER 31, 2021	**94,608**	**58,476**	**-**	**(70,651)**	**6,999**	**(4,929)**	**420**	**84,923**
Profit (loss)	-	-	-	7,660	-	-	207	7,867
Total other comprehensive income	-	-	-	-	-	1,141	-	1,141
Total comprehensive income	**-**	**-**	**-**	**7,660**	**-**	**1,141**	**207**	**9,008**
Increase (decrease) through treasury share transactions (Note 14)	-	-	(49)	-	-	-	-	(49)
Other adjustments in equity	-	-	-	251	-	-	3,412	3,663
BALANCE AS OF DECEMBER 31, 2022	**94,608**	**58,476**	**(49)**	**(62,740)**	**6,999**	**(3,788)**	**4,039**	**97,545**

Notes included on pages 10 to 116 are an integral part of these consolidated annual accounts.

Thousand euros

1 General information

General de Alquiler de Maquinaria, S.A. (hereinafter, the parent Company or GAM) is a commercial company which at the end of the accounting period 2022 heads a group (hereinafter, the Group or GAM Group), made up of 26 companies (24 companies in 2021): General de Alquiler de Maquinaria, S.A., parent Company, and 25 subsidiary and affiliated companies included in the consolidation perimeter, with company address at calle Velázquez 64, 4º izquierda, 28010 Madrid (Spain). Annexe 1 to these notes provides additional information regarding the companies included in such perimeter.

All of the shares are represented using book entries and have been listed on the Stock Exchanges of Madrid, Barcelona, Valencia, and Bilbao (Spain), with first listing date of June 13, 2006.

The Group incorporated the company Grupo Dynamo Hispaman S.L. to the consolidation perimeter to establish the company GAM Circular Process, S.L. The Group has also acquired two branches of the companies Intercarretillas, S.L, and Inteplataformas, S.L., integrated in the Group's companies Recambios, Carretillas y Maquinaria, S.L. and GAM España Servicios de Maquinaria, S.L.U., respectively. The impact of these transactions on the present consolidated annual accounts corresponding to the year 2022 and on the primary entries of the consolidated income statement and the balance sheet are explained under Note 6.

In 2021, the Group included in its consolidation perimeter the companies Inquieto Mobilidade Curiosa Unipessoal Lda, Recambios, Carretillas y Maquinaria, S.L., Alquitoro 3000, S.L., Sociedad de Intermediación de Maquinaria, S.L., and PRAMAC CARIBE, S.R.L. Additionally, the Group also acquired an activity branch of the company ASCENDUM III – Máquinas Unipessoal Lda, transferred to the company Grupo GAM Portugal Lda.

As at August 12, 2022, it was approved that GAM España Servicios de Maquinaria, S.L.U merged through absorption the Company Gallega de Manutención GALMAN, S.L. This merger operation us a company merger of wholly-owned sister companies with a sole partner, the Parent Company.

As at May 25, 2021, it was approved that GAM España Servicios de Maquinaria, S.L.U merged through absorption Soluciones Aéreas no tripuladas, S.L., Clem Ecologic, S.L.U., and Clem Alba, S.L.U. This merger operation was a company merger of wholly-owned sister companies with a sole partner, the Parent Company.

On March 1, 2019, some financial entities, companies belonging to the GAM Group, and the company Gestora de Activos y Maquinaria Industrial S.L. (GAMI or the investor) entered a framework agreement to restructure debt and investment. As a consequence of this agreement, the Company is part of a group of companies controlled by the company Gestora de Activos y Maquinaria Industrial, S.L. In 2021, Orilla Asset Management, S.L. merged through absorption the Company GAMI. The Group's parent company of Orilla Asset Management, S.L. is Orilla Asset Management, S.L, addressed at Calle Alcalá, 52, planta 3, puerta izquierda, Madrid (SPAIN), and which owns, as at December 31, 2022 and 2021, 43.24% of Company's shares (Note 14).

A group is considered to exist when the controlling company has one or more subsidiaries over

which it has control, directly or indirectly. The principles applied to prepare the Group consolidated annual accounts and the consolidation perimeter are described in Note 2.

General de Alquiler de Maquinaria, S.A., parent Company of the GAM Group, was incorporated in Spain on October 29, 2002, as a limited company. This company is registered with the Mercantile Registry in Madrid, Section 8ª, Sheet M-314333. The General Meeting of Shareholders of the Company, as of February 9, 2006, agreed to transform the corporate form from a limited company to a stock corporation. Such agreement was executed in a public deed dated on 28th February 2006. The corporate name has not changed since the date of incorporation.

As of May 13, 2021, the parent Company's Board of Directors approved the transfer of the company address to calle Velázquez 64, 4º izquierda, 28010 Madrid (Spain). This deed was registered in the Commercial Registry of Madrid on July 29, 2021.

The last amendment to the articles of association, related to the amendment of article 30 regarding Directors' remuneration, was approved by the Company's General Meeting of Shareholders on May 24, 2022, and was incorporated to the Commercial Registry of Madrid under Book 38065, Folio 17, Section 8ª, Sheet M-314333, Entry 150 on August 19, 2020.

The corporate purpose of the parent Company is the purchase, subscription, exchange, and sale of transferable securities on its own behalf and with no intermediary activity to direct, administer and manage these assets and holdings. Additionally, GAM's corporate purpose includes the purchase, lease, and repair of machinery and vehicles.

These consolidated annual accounts, which have been issued by the Company's Administrators on the February 28, 2023 will be submitted to the Annual General Meeting for approval, which is expected to happen with no modifications.

The consolidated annual accounts corresponding to the year 2021 were approved by the Annual General Meeting of the parent Company on 24th May 2022.

The figures contained in the consolidated annual accounts are expressed in thousand euros unless otherwise indicated.

Thousand euros

2 Summary of significant accounting policies

Please find next a description of the primary accounting policies adopted to prepare these consolidated annual accounts. Those principles were applied on a uniform basis for all the years covered.

2.1. Basis of presentation

The accompanying consolidated annual accounts have been prepared based on General de Alquiler de Maquinaria, S.A., and the consolidated companies' accounting records. The consolidated annual accounts for the accounting period 2022 have been prepared under the International Financial Reporting Standards adopted by the European Union (EU-IFRSs) and all other applicable provisions in the regulatory framework for financial reporting. They provide an accurate and fair view of the consolidated equity and consolidated financial situation of Alquiler de Maquinaria, S.A., and subsidiary companies on the 31st December 2022, including the consolidated financial performance, the consolidated cash flows and changes in consolidated equity corresponding to the accounting year ending on that date (IAS 1.16).

The financial reporting was prepared based on historical cost convention and modified according to the EU-IFRSs whereby certain assets and liabilities are recognised at fair value.

The preparation of consolidated annual accounts in conformity with EU-IFRSs requires the use of specific critical accounting estimates. It also requires the Management exercises its judgment in applying the accounting policies of GAM Group. Note 4 describes those areas which involve a higher level of review or complexity or the areas where the hypotheses and estimates are significant for the consolidated annual accounts.

All accounting policies and valuation criteria with a significant effect on the financial statements were applied in their preparation.

The principal accounting policies adopted in the preparation of these consolidated annual accounts are consistent with the standards applied in the Group's consolidated annual accounts for the accounting period ending on December 31, 2021, except for the application, as of January 1, 2022, of the following amendments adopted by the European Union to be applied in Europe. Nevertheless, these did not have a significant impact on the Group's financial statements.

Standards adopted by the European Union	Effective date
Amendments to the IAS 37 - Provisions, Contingent Liabilities and Contingent Assets: Provisions for onerous contracts.	01 January 2022
Amendments to the IAS 16 - Properties, plant and equipment: Consideration prior to the foreseen use	01 January 2022
Amendment to the IFRS 3 - Reference to the conceptual framework	01 January 2022
Annual project of improvements 2018-2020.	01 January 2022
IFRS 17 - Insurance contracts	01 April 2023
Amendment to IAS 8 - Definition of accounting estimates	01 January 2023

Thousand euros

Amendment to the IAS 1 - Breakdown in accounting policies	01 January 2023
Amendments to the IFRS 17 - Insurance contracts – Initial application of the IFRS 17 and the IFRS 9. Comparative information	01 January 2023
Amendment to IAS 12 - Deferred taxes from assets and liabilities resulting from one sole transaction.	01 January 2023

Additionally, other rules and amendments to regulations will be effective from January 1, 2023 and subsequently, and some of these issued by the IASB and are pending adoption by the European Union at the date of drafting these consolidated annual accounts. The Group does not expect a significant impact of these standards on its consolidated annual accounts.

Rules and amendments of rules issued by the IASB and are pending adoption by the European Union	Effective date
Amendment to the IAS 1 - Classification of liabilities as current or non current with convenants	01 January 2024
Amendment to the IFRS 16 - Lease liabilities in a sale with subsequent lease	01 January 2024

None of these rules and amendments have been applied in advance. No significant impact is expected from the application of these amendments.

2.2. Consolidation principles

(a) *Subsidiaries*

Subsidiary entities are those the Company has capacity to exercise direct or indirect effective control. When the involvement is exposed, the Company controls a subsidiary company, is entitled to variable profits or can influence those profits through the power exerted on such a company. The Company has the power when it has effective substantive rights which allow managing relevant activities. The Company will, or it is entitled to, present its variable profits because of its involvement in the subsidiary company when these may evolve due to the Company's economic development (IFRSs 10.6, 10 and 15).

The income, expenses and cash flows of subsidiaries are included in the consolidated annual accounts from the acquisition date when the Group takes control. The subsidiary companies are excluded from the consolidation from the date on which such control ceases to exist.

The acquisition of subsidiaries is accounted for by the acquisition method. The consideration transferred by the acquisition of a subsidiary company corresponds to the fair value of the assets transferred, the liabilities incurred, and the equity interest issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. The costs related to the acquisition are recognised as expenses in the accounting period they are incurred. The identifiable assets acquired and the identifiable contingencies and liabilities assumed in a combination of businesses are initially valued at their fair value on the acquisition date. For each business combination, the Group has the right to choose the recognition of any non-controlling interest in the acquired company at fair value or the proportional part of the non-controlling interest in the acquired company's identifiable net assets.

Thousand euros

The Group recognises the assets acquired and liabilities assumed at their acquisition-date fair value. The liabilities assumed include the contingent liabilities insofar they represent the present obligations arising from past events and with a fair value reliably measured. Additionally, the Group recognises the liabilities from investments granted y the seller simultaneously and following the same valuation criteria of the item to be indemnified for the acquired business, taking into account the insolvency risk and any contractual limitation on the indemnified amount.

Any contingent consideration to be transferred by the Group is recognised at fair value on the acquisition date. Subsequent changes in the fair value of the contingent asset or liability consideration are recognised according to IFRS 9 in results.

The excess of the transferred consideration, the amount of any non-controlling interest in the acquired company and the fair value in the acquisition date of any prior interest in the acquired company's equity at fair value of the identifiable acquired assets are entered as goodwill. If the total of the consideration transferred, the recognised non-controlling interest and the previously-held interest is less than the fair value of the acquired subsidiary company's net assets in the event of acquisition with extremely favourable conditions, the difference is recognised directly in the consolidated income statement.

When a business combination is achieved in stages, the carrying amounts on the date of acquisition of the interest in the acquired company's equity previously held by the acquired company is re-valued at its fair value on the date of purchase; any profit or loss which arises from this revaluation is recognised in the consolidated income for the period.

As at January 27, 2022, the Group GAM achieved the control of Grupo Dynamo Hispaman S.L. (“GDH”), after acquiring an interest over 50% of its share capital. GDH business, company established in Madrid, involves the lease and sale of forklift trucks.

Additionally, in March 2022, the Group has also acquired two branches of the companies Intercarretillas, S.L, and Inteplataformas, S.L., integrated in the Group’s companies Recambios, Carretillas y Maquinaria, S.L. and GAM España Servicios de Maquinaria, S.L.U., respectively.

As at July 8, 2022, the Company has established GAM Circular Process, S.L.; as at December 31, 2022, the Parent Company owns 60.02% thereof. Its statutory activity consists of renewing, repairing and maintaing machinery.

The Group recognises options for the sale of shares in the subsidiary companies attributable to non-controlling interests on the date of acquiring a business combination as the early acquisition of such interests. Also, it recognises financial liabilities for the present value of the best estimate of the payable amount, which is part of the consideration given.

As of January 7, 2021, the Company established Inquieto Mobilidade Curiosa Unipessoal Lda, located in Portugal and wholly owned by the Spanish company Inquieto Moving Attitude, S.L.U. Its statutory activity consists of leasing electric mobility vehicles.

For the year 2021, the Group acquired 100% of share in the companies Recambios, Carretillas y Maquinaria, S.L., Alquitoro 3000, S.L., and Sociedad de Intermediación de Maquinaria, S.L.,

addressed in Madrid, and the control of PRAMAC CARIBE, S.R.L., located in Dominican Republic, after acquiring the company GAM Dominicana S.A.S an interest of 100% of its share capital, controlled by GAM as the interest is over 50% of its share capital. As of December 31, 2021, the shareholding percentage is 56%.

Additionally, and in 2021, the Group also acquired an activity branch of the company ASCENDUM III – Máquinas Unipessoal Lda, transferred to the company Grupo GAM Portugal Lda.

As at August 12, 2022, it was approved that GAM España Servicios de Maquinaria, S.L.U merged through absorption the Company Gallega de Manutención GALMAN, S.L. This merger operation is a company merger of wholly-owned sister companies with a sole partner, so it did not impact on the Group.

As at May 25, 2021, it was approved that GAM España Servicios de Maquinaria, S.L.U merged through absorption Soluciones Aéreas no tripuladas, S.L., Clem Ecologic, S.L.U., and Clem Alba, S.L.U. This merger operation is a company merger of wholly-owned sister companies with a sole partner, so it did not impact on the Group

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Likewise, unrealised losses are eliminated unless the transaction offers evidence of a loss through the impairment of the transferred assets. When necessary to ensure consistency with the Group's policies, the accounting policies of the subsidiary companies are modified.

Euro exchange rates against some of the main currencies of the Group's companies are the following:

Currency	Average exchange rate for the accounting period 2022	Exchange rate as of 31 December 2022
Mexican peso	21.07	20.86
Peruvian Sol	4.3	4.36
Saudi riyal	4.51	4.25
US dollar	1.05	1.07
Moroccan dirham	10.69	11.16
Chilean peso	917.99	916.91
Colombian peso	4,469.05	5,134.41
Dominican peso	57.57	60.34

Currency	Average exchange rate for the accounting period 2021	Exchange rate as of 31 December 2021
Mexican peso	23.99	23.24
Peruvian Sol	4.78	4.78
Saudi riyal	4.51	4.25

Thousand euros

US dollar	1.18	1.13
Moroccan dirham	10.66	10.52
Chilean peso	897.5	964.44
Colombian peso	4,427.57	4,527.37
Dominican peso	67.34	64.78

(b) Associates

Associates are companies over which the Group exercises significant influence but not control, generally accompanied by 20% to 50% of the voting rights. Investments in associates are accounted for under the equity method, and they are initially recognised for their cost. The carrying amount is increased or reduced to record the investor's share in the invested company's results after the acquisition date. Group investments in associates include goodwill (net of any accumulated impairment loss) identified upon acquisition.

If an ownership interest in an associate is reduced, but the significant influence is held, only the proportionate interest of the amounts previously recognised in the other comprehensive income will be reclassified as income where appropriate.

The Group share of losses or profits after acquiring associates is recognised in the consolidated income statement. Its interest in movements subsequent to the acquisition is recognised in the other comprehensive income. The post-acquisition movements are adjusted against the carrying amount of the investment.

Losses in associated entities corresponding to the Group are limited to the amount of the net investment, except in those cases where the Group has assumed legal or constructive obligations or has made payments on behalf of the associated companies. To recognise impairment losses in associated companies, the net investment adds to the value resulting from application of the equity method that corresponds to any other entry, which, substantially, is part of the investment in associated companies.

On each date on which financial information is presented, the Group determines if there is objective evidence of a fall in the investment value in the associated company. If this is indeed the case, the Group estimates the amount of impairment loss as the difference between the amount recoverable by the associated company and the carrying amounts. It recognises the amount under the entry "interest in profit/(losses) of an associate company" in the consolidated income statement.

Profits and losses resulting from 'upstream' and 'downstream' transactions between the Group and its associated companies are recognised in the Group's consolidated annual accounts only to the extent of other investors' interest in unrelated investors' associated companies. Unrealised losses are eliminated unless the transaction offers evidence of a loss through impairment of the transferred assets. Associated companies' accounting policies were modified when necessary to ensure consistency with the Group's procedures.

(c) Joint arrangements

Joint arrangements are deemed to those in which there is a contractual agreement to share control over an economic activity. The decisions taken on relevant activities require the Group's unanimous consent and the remaining partners or operators. The assessment of joint control is carried out by considering the definition of control of the subsidiary companies.

A joint arrangement is classified as a joint operation if there is a joint agreement through which the parties with joint control have the right for assets and duties for liabilities, related to the agreement. The Group recognised for these consolidated annual accounts its assets, included the interest in assets controlled jointly; its liabilities, including the interest in liabilities incurred jointly with other operators; income obtained from the sale of its part of the production/service for the joint operation; and its expenses, included the portion corresponding to the joint costs.

A joint arrangement is classified as a joint venture in those agreements with companies under a contractual agreement with a third party to control their activity. The strategic decisions relating to activity, both financial and exploitation, require all the parties' unanimous consent sharing control. The Group's interests in jointly controlled companies are accounted for under the equity method according to the IFRS 11.

Under the equity method, joint businesses' interests are initially recognised at their cost. It is then adjusted to be recognised GAM Group's share in income and losses subsequent to the acquisition and movements in other comprehensive income.

On each date on which financial information is presented, GAM Group determines if there is objective evidence of a fall in the investment value in a joint business. If this is indeed the case, GAM Group estimates the amount of impairment loss as the difference between the amount recoverable of the joint business and the carrying amounts and recognises the amount under the entry "Profit/(losses) of companies accounted for using the equity method" in the consolidated accounts.

Assets and liabilities from joint ventures are presented in the consolidated balance sheet following their specific nature and GAM Group's shareholding percentage. Likewise, income and expenses from joint operations are presented in the consolidated accounts per their particular nature and GAM Group's shareholding percentage.

2.3. Segment reporting

The Management has established operating segments as a Group's component which develops business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Operating segments are presented coherently with the internal information submitted to the chief operating decision-maker (CODM). The CODM is responsible for assigning resources and evaluating the performance of the operating segments. The Board of Directors has been identified as the ultimate authority for taking the Group's strategic decisions (Note 5).

Segment accounting policies are the same as the policies applied to prepare the accompanying consolidated annual accounts, as described herein.

2.4. Foreign currency transactions

(a) Functional and presentation currency

The items included in the annual accounts of each of the Group's companies are valued using the currency of the primary economic environment in which the company operates ("functional currency"). The consolidated annual accounts are presented in Euro (€), the parent Company's functional and presentation currency.

(b) Transactions and balances

Transactions in overseas currencies are translated into the functional currency applying the exchange rate in force at the transaction time. Foreign exchange gains and losses resulting from the settlement of such transactions and the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the annual accounts, except when deferred in the other comprehensive income as in the case of qualifying cash flow hedges and qualifying net investment hedges.

The exchange gains and losses are recognised in the consolidated annual accounts under the "Financial income" or "Financial expense.

(c) Group companies

The income and financial position of all the Group companies (neither of which has the currency of a hyperinflationary economy) with a functional currency different to the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at foreign exchange rates ruling at the balance sheet date.

- Income and expenses in the annual accounts are translated at average exchange rates (unless this average is an unreasonable approximation of the existing rates' cumulative effect ruling at the transaction dates, in which case income and expenses are translated at the time of the transactions).

- All resulting exchange differences are recognised under the other comprehensive income.

For consolidation, the exchange differences arising from net investment translation in foreign companies, loans, and other foreign currency instruments designated as hedges of such investments are entered under the other comprehensive income. When such investment is sold, these exchange differences are recognised in the annual accounts as part of the sale loss or gains.

Thousand euros

Goodwill and fair value adjustments arising from foreign companies' acquisition are entered as assets and liabilities of such foreign company and translated to the year-end exchange rate. The resulting exchange differences are recognised under the other comprehensive income.

2.5. Property, plant and equipment

The property comprises mainly the buildings and installations in Madrid, Granada, Santiago de Compostela, León, Canarias, Ferrol, Lugo, Llanes, Lisboa, and Almería. Property, plant and equipment are recognised as cost minus the applicable accumulated amortisation and impairment losses, except for the plots that are not depreciated.

The historical cost includes all expenses directly attributable to the acquisition of the items.

The subsequent costs are included in the book amount corresponding to the assets or are recognised as a separate asset only when it is probable that the future economic profits associated with the elements will flow to the Group, and the cost element can be reliably determined. The carrying amount allocated to the part is derecognised. All other repairs and maintenance are charged to the consolidated annual accounts during the financial period in which they are incurred.

The amortisation is calculated using the linear method to reduce costs to residual values over their estimated useful lives.

	Useful lives	Weighted average useful life
Constructions	20 to 33 years	25 years
Machinery		
- Lifting	2 to 17 years	12 years
- Energy	3 to 17 years	12 years
- Events	3 to 13 years	9 years
- Industrial	3 to 19 years	10 years
- Handling	8 to 16 years	12 years
- Last-mile	4 to 6 years	6 years
- Other equipment	3 to 17 years	9 years
Technical installations, tooling and furniture	3 to 20 years	9 years
Other	4 to 10 years	5 years

Re-estimation of residual values

The asset's residual value and useful life are measured and adjusted if necessary at each balance sheet date.

Despite the IAS 16 states the residual value of property, plant and equipment is little representative, the second-hand machinery lease market is an active, attractive and profitable

market that justifies current settlement market prices. Moreover, lease machinery that does not own very specific features that make it appropriate only for certain companies is an incentive to exchange this type of assets, which supports higher residual values than other assets whose features involve longer records in the companies' balance sheets.

When an asset's book value is higher than its estimated recoverable amount, its value is reduced immediately to the recoverable amount (Note 2.8).

Gains and losses on the sale of property, plant and equipment are calculated by comparing the agreed collections with the carrying amount, and these are recognised in the consolidated annual accounts.

The Group sells property, plant and equipment before held for lease to third parties in regular operations. The Group reclassifies the assets to inventories when they cease to be leased and become held for sale. Disposal of these assets is recognised under sales.

2.6. Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group interest in the fair value of a subsidiary company's identifiable assets at the date of acquisition. The goodwill related to the acquisitions of subsidiary companies is included in intangible assets. Revisions of impairment losses of goodwill are performed yearly or more frequently if events or changes in circumstances indicate a potential impairment loss. The carrying amount of goodwill is compared with the recoverable amount, i. e. the value in use or the fair value minus the sale costs, the higher of these amounts. Any impairment loss is immediately recognised as an expense, and subsequently, it is not reverted. Gains and losses on the company's disposal include the carrying amount of goodwill relating to the company sold.

For impairment testing purposes, goodwill acquired in a business combination is assigned to each of the cash-generating units or groups of cash-generating units, which are expected to benefit from the business combination's synergies. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the company at which the goodwill is monitored for internal management purposes. Goodwill is monitored in a receiver segment level of the machinery acquired in business combinations.

(b) Intangible assets acquired in business combinations

The cost of identifiable intangible assets acquired in business combinations is their fair value. They include the portfolio in relationships with clients arising from business combinations. They are amortised with a charge to the consolidated loss and profit statement on a linear basis for their useful life set between 10 and 14 years, and test are performed on the value impairment to adjust the book value to the attainment of the committed goals.

The relationships with clients have been determined by identifying the existing clients’ portfolio in the moment of the acquisition and considering the following main hypotheses: (i) flows provided

for each client considering the rotation thereof, (ii) gross margin provided by clients based of historical data, (iii) market growth rate, and (iv) specific return rate for each business combination.

The identifiable intangible assets are separable. Consequently, they are recognised separated from goodwill.

(c) Computer software

Acquired computer software licences are capitalised, estimating the costs incurred to acquire and prepare them for using that specific program. Such charges are depreciated over their estimated useful life (4 years).

Software maintenance and development costs are expensed as incurred.

The costs of direct development attributable to unique and identifiable computer program design and testing that the Group can control are recognised as intangible assets to the extent they comply with the following conditions:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) the Management intends to complete the intangible asset in question for its use or sale;

c) the Company can use or sell the intangible asset;

d) it can be demonstrated that this intangible asset may generate probable future economic benefits;

e) adequate technical, financial and other resources are available to complete the development and to use or sell the software product;

f) the out-flow of funds attributable to the intangible asset during development may be reliably measured.

Directly attributable expenses include professional fees arising from software development and a reasonable percentage of general costs.

Expenses not complying with these criteria are recognised as an expense when incurred. Expenditure on an intangible item that was initially identified as a year expense shall not be recognised as part of an intangible asset's cost at a later date.

2.7. Borrowing costs

Borrowing costs incurred in connection with constructing a qualifying asset are capitalised during the time needed to complete and prepare the asset for its intended use. The rest of the interest costs are recorded under expenses. As of December 31, 2022 and 2021, the Company not capitalised any amounts under this entry.

2.8. Impairment losses of non-financial assets

Thousand euros

The intangible assets with an indefinite useful life, and those assets whose condition does not allow them to be used are not subject to amortisation. They shall be subject to annual tests concerning the impairment losses of their value. As of December 31, 2022 and 2021 there are no intangible assets with a definite useful life, except for goodwill.

Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is determined as an asset's fair value minus the higher of the cost of sale or its value in use. To evaluate the value impairment losses, assets are grouped at the lowest level in which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that had suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

2.9. Financial assets

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the moment of initial recognition and reviews the classification at the close of each financial period.
During the accounting years 2022 and 2021 the Group did not hold "available for sale" financial assets.

(a) Financial assets classification

The Group classifies its financial assets under Loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group supplies money, goods or services directly to a debtor and does not intend to trade with the account receivable. They are included in current assets, except for maturities over 12 months as of the balance sheet's date classified as non-current assets. Current loans and receivables are included under Trade and other receivables in the consolidated balance sheet (Note 2.10), while non-current ones under Financial assets. Loans and receivables are recorded by their amortised costs following the method of the effective interest rate.

Acquisitions and disposals of financial assets are recognised on the date of trading, that is to say, the date upon which there is a Group commitment made to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive the investment cash flows have matured or have been transferred. The Group has substantially transferred the risks and rewards inherent to ownership.

The Group analyses each contract individually. Risk and benefit transfer is assessed by comparing the Group exposure, before and after factoring, with the amount changes and the calendar of the net cash flows for the transferred asset. After the Group exposure to said variation is eliminated or substantially reduced, then the financial asset in question has been transferred. Otherwise, the Group continues to recognise the asset by additionally registering the amount received as a short-term commercial discount with banks under current liabilities.

(b) Financial assets value impairment

At the balance sheet date, the Group considers whether there is objective evidence that a financial asset or group of financial assets were impaired, likewise for debtors and receivables (Note 2.10). A financial asset or group of financial assets is impaired, and an impairment loss is incurred, if and only if there is objective evidence of impairment of assets as a result of an event or events which have occurred after the initial recognition of the asset (an event which causes the loss), and where the event or events causing the loss have an impact on the estimated future cash flows from the asset or group of financial assets which can be reliably estimated.

The Group recognises value adjustment from expected credit losses of its financial assets.

At each closing date, the Group assesses the value correction equal to expected credit losses in the following 12 months for the financial assets whose credit risk is not significantly higher since the date of initial recognition or when a financial asset's credit risk is not significantly higher.

Nevertheless, the Group recognises the expected credit loss during the instrument's whole life for trade debtors.

The Group determines the expected credit losses considering the most useful and appropriate information available without unjustified efforts and costs regarding past events, current condition and future economic prospects.

The percentages are based on current non-payment experience from the last accounting periods and are adjusted, considering the current economic and historical conditions, and assessing the prospective information available.

2.10. Trade and other receivables

Trade and other receivables are initially registered at fair value and subsequently at amortised cost based on the effective interest method, minus the provision for impairment of assets. A valuation allowance is established for impairment of trade receivables when objective evidence that the Group will not collect all amounts due as per the original terms of the receivables. The existence of considerable financial difficulties on the part of the debtor, the likelihood that the debtor will enter bankruptcy or financial reorganisation and a failure to pay or delays in payment are considered indicators that the account receivable has been deteriorated. The amount of the provision is the difference between the asset carrying amount and the present value of estimated future cash flows discounted at the effective interest rate. The asset's carrying value is written down as the provision account is used, and the loss is recognised in the consolidated annual accounts. When an account receivable is uncollectible, it is regularised against the provision for accounts receivable. The subsequent recovery of previously derecognised amounts is recorded as credit items in the consolidated annual accounts. To estimate value impairment of assets, the criteria established in Note 2.9 b) are considered.

The Group makes provision for doubtful accounts in respect of overdue balances and when circumstances indicate unlikely collection.

2.11. Inventories

Inventories are stated at the lower of cost and net realisable value. It is stated at its cost, which is determined using the weighted average cost , which is determined using the weighted average cost method.

The cost of finished goods includes spare inventories required to repair the Group's machinery and for sale to third parties. This cost does not include interest costs. Net realisable value is the estimated selling price in the regular business courses minus the applicable variable selling costs.

Also, machinery inventories for sale is included Net realisable value is the estimated selling price net of the estimated sale costs.

2.12. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits in financial institutions and other short-term, highly liquid investments with a maturity of three months or less. Bank overdrafts are recognised in the consolidated balance sheet as borrowings under current liabilities.

2.13. Share capital

All parent Company shares are recognised as equity.

Incremental costs directly attributable to the issuance of new shares and options are included in the equity as a net deduction of taxes.

2.14. Treasury shares

When any Group company acquires shares of the Company (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until cancellation, re-issuance or disposal. When these shares are sold or re-issued, any amount received, net of the directly attributable increase transaction costs and the corresponding income tax effects, is included in the equity attributable to parent's Company shareholders.

2.15. Trade and other payables

Commercial accounts payable are payment obligations from goods and services purchased to providers in the ordinary business course. Creditors and other payables are initially recognised at fair value, and subsequently, they are valued at the amortised cost using the effective interest rate method. Short-term payables which have no set interest rate are measured at the amount on the original invoice when discounting is immaterial. They are included in current liabilities, except for maturities over 12 months as of the balance sheet's date that are classified as non-current assets.

2.16. Financial debt (borrowings)

Borrowings (financial debt) are initially recognised at fair value, net of the transaction cost. Subsequently, borrowings are measured at amortised cost. Any difference between the funds obtained (net of necessary expenses for their acquisition) and the reimbursement amount is recognised in the income statement throughout the debt's useful life, using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlements for at least 12 months from the consolidated balance sheet date.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the debtor's financial difficulty) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

To apply the above paragraph, the Group believes conditions will be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the extinguishment gain or loss. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred will adjust the carrying amount of the liability and will be amortised over the remaining term of the modified liability.

The Group has contracted confirming operations for the management of payment to providers with some financial entities. The Group applies the previous criteria to assess the original liability derecognition with trade creditors and recognise new liability with financial entities. Trade liabilities whose payment is managed by financial entities are entered in the entry trade and other payables, insofar the Group has only granted the payment management to financial entities, and it is considered as the primary obliged to pay debts against trade creditors.

Likewise, debts held with financial entities as a consequence of the sale of trade liabilities are recognised under trade creditors due to confirming operations, under the entry trade and other payables of the consolidated balance sheet. As at December 31, 2022, there are debts under this category in the consolidated balance sheet amounting to 2070 thousand euros.

Nevertheless in those cases, where a creditor substitution is registered and this is considered as primary obliged against financial entities, such debts are transfered to the entry loans and other financial debts of the consolidated balance sheet.

2.17. Current and deferred taxes

The Parent Company files consolidated tax returns with certain subsidiary companies (Note 20).

Income tax comprises current and deferred tax. The tax is recognised in the annual accounts, except that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in the other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on relevant tax laws in force or about to be approved, as of the balance sheet's date in those countries in which the subsidiaries and associates operate and generate income that is subject to tax. The Management periodically evaluates the positions taken in the Group's tax filings regarding situations where prevailing tax rules are open to interpretation, recognising provisions subject to amounts they expect to have to pay the tax authorities.

Deferred taxes are estimated, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in consolidated annual accounts. However, deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either the accounting or taxation profit and loss. Deferred tax is determined by using (legal) tax rates or rates approved or about to be approved on the balance sheet's closing date and which are expected to be applicable when the corresponding deferred tax asset is realised or liability is paid.

Deferred tax liabilities, arising from credit carryforwards of offsetable losses, of allowances and deductions of the applicable corporation tax, are only recognised if it is probable that sufficient future taxable profit will be available against which they can be utilised.

Deferred tax assets and deferred tax liabilities are only offset if there is a legally enforceable right to set off income tax receivables with current tax liabilities and when deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on a single taxable entity, or in the event of different taxable entities which intend either to settle current tax liabilities and assets on a net basis.

2.18. Employee benefits

(a) Termination benefits

Termination compensations are paid to employees due to the Group's decision to terminate their employment contract before the average retirement age or when the employee agrees to resign in exchange for those benefits. The Group recognises these indemnities when it has undertaken, in a way that can be demonstrated, to terminate the employment of current workers per a formal plan without the possibility of withdrawal or to provide severance indemnities.

(b) Benefit and bonus participation scheme

The Group recognises a liability and expense for bonuses and benefit participation based on a predetermined formula in specific matters related to business performance. The Group

recognises a provision where contractually obliged, where there is a past practice that has created a constructive obligation and when requirements under Note 2.19 are met.

(c) Share-based payments

Extraordinary Variable Compensation Plan 2015

Under the framework of debt restructuring ended in the accounting year 2015, the parent Company General de Alquiler de Maquinaria, S.A. entered an arrangement for an extraordinary variable compensation plan (the “Variable Compensation Plan”, from now on “the Plan”), This was signed by the Management team and some of the financing entities (the “Granting Companies”), and its implementation was subject to the full effectiveness of the financial restructuring, effective from 29th July 2015. As of December 16, 2015, the parent Company’s Extraordinary General Meeting of Shareholders approved the Plan. Such Plan was novated on 20th July 2017, as a result of the pooling and cancellation of all of the Company’s outstanding shares to swap for newly issued shares, in the proportion of one new share for every 10 old shares (the “reverse-split”), which was approved in the General Meeting of Shareholders held on 22nd June 2017, and effective from 20th July 2017.

Under this Plan, GAM receives services from participating employees, and the parent Company’s equity instruments are delivered as consideration to those employees.

The most relevant aspects of the Plan are as follow:

- •Beneficiaries: 8 GAM Group managers and executives, whose leader company is the parent Company, and including the Managing Director of the Company, and certain managers of different relevant areas (Human Resources, Financing, etc.) and future manager who GAM Group may contract. Managers’ participation in the Plan is voluntary and implies accepting all terms and conditions, and no subsequent waive is allowed. As of December 31, 2021, 6 Managers are part of this Plan.

- •Accepting the Plan involves the obligation of continuity in GAM regarding the delivery of the shares, subject to different allotments. Non-compliance with this requirement consists of the payment of an amount equivalent to the price of the shares delivered under each one of the allotments to GAM or the granting companies, where appropriate. Plan’s beneficiaries may waive the rights thereof at any time. They will lose their rights under the Plan as of the termination of their business or commercial relationship with GAM.

- Number of shares: 30,155,548 shares, equivalent to 9.1% of the Company’s capital share as of the Shareholder’s Meeting's approval.

- Scope and administration: Delivery of a maximum of shares to Management subject to allotments below. The Plan is subject to the progress of the Company’s share value to ensure Management and shareholders’ interests do not diverge. Delivery of shares per allotment implies the obligation of continuity in the Company for at least two years as of the delivery of shares to Managers.

The Plan is divided into two allotments:

a) Allotment A - Shares delivered by financial institutions, which are shareholders

The rights of Management to be delivered GAM shares will be granted each time any of the financial entities become shareholders as of the refinancing process 2015, and delivers, totally or partially, GAM's shares of which it is the direct or indirect holder, with no time limit and every time that delivery has a market price above 2.4 euros.

The number of shares under Allotment A amounts to 15,589,000; delivery of shares will be free, and the grantor can replace this delivery with its cash equivalent.
The price of delivery will determine the number of shares deliverable according to the following levels and an agreed formula:

- If the delivery price is under 2.4 euros per share, no shares will be delivered.
- If the delivery price is above 2.4 euros per share and under 4.0 euros per share, the share delivery price will be taken.
- If the delivery price is above 4.0 euros per share, the share delivery price will be 4.0 euros per share.

The delivery of shares under this allotment will not imply cash outflow for the Group since the shares will be delivered by shareholders.

b) Allotment B - Shares to be delivered by GAM

Rights under Allotment B will be subject to two dates: a) March 2020 (Sub-Allotment B1, including 331,827 shares), and b) March 2022 (Sub-Allotment B2, including 331,827 shares).

The number of shares deliverable will be determined by the weighted average price of GAM's shares in the quarter before delivery (March 2020 and March 2022) and by the following levels and the previously established formula:

- If the weighted average price is under 2.4 euros, no shares will be delivered.
- If the weighted average price is above 2.4 euros and under 4.0 euros, the share delivery price will be established following the agreed formula.
- If the weighted average price is equal to or above 4.0 euros, all the shares in both allotments will be delivered.

If no delivery of shares for Sub-Allotment B1 is accrued, or the accrual is partial, the remaining shares will be added to Sub-Allotment B2.

The Company's delivery of shares will be free for the Management team, using outstanding shares available or issuing new shares, as appropriate.

As of December 31, 2020, the rights under Sub-Allotment B1 were delivered.

c) Allotment C - Additional Ratchet:

Rights to be delivered shares under Allotment C will be granted if in March 2022: a) all shareholders have delivered at least 90% of GAM's shares, and b) if in the previous quarter the weighted average market price is above 4 euros per share.

The number of shares under this allotment is 793,000.

The delivery price of the shares will be fixed at 4 euros per share. The Company will be entitled to decide if a) delivering shares for that price of delivery (4 euros per share), or b) replacing the delivery of shares by cash equivalent to the difference between the 4 euros per share and the weighted average price of the shares.

Methodology and assessment valuation for the stock options plan 2015

As a result of the inputs obtained to the valuation date (approval date of the Plan: 16th December 2015), a discount of the cash flows was performed for each one of the allotments and sub-allotments considered, subject to the delivery date for each moment. A different value for each one of the allotments (A, B and C) was obtained.

For 2015, a valuation scheme was developed considering the probable variable delivery of actions under Allotment A, as this is relevant for the accrual or not of the additional allotment. The share and option value scheme (for the additional allotment) followed the Montecarlo simulation. Remarkably, this scheme included dilution effects that might arise from advanced delivery. The inputs used were detailed in the consolidated annual accounts for the year 2015.

The initial valuation on 16th December 2015 for the full life of the Plan is the following, including allotments and maturities of the vesting conditions (in thousand euros):

-Value Allotment A	2.568	Maturity 31/03/2022
-Value Sub-Allotments B1 and B2	1,084	Maturity 31/03/2020 and 31/03/2022
-Value Allotment C - Additional Ratchet:	988	Maturity 31/03/2024
Total	**4,640**	

Based on the specific conditions of the granted plan, all allotments are considered as a transaction with stock option payments (for Allotment A, there is no current obligation for Group's cash settlement) following the IFRS 2, by which the Company acquires the services provided by Managers incurring in an obligation for an amount established by the value of the shares and recognised under the Company's equity. The fair value of these services provided by the employee in exchange for options is recognised as personnel expenses, under the entry Equity. The full amount of expenses is estimated based on the fair value of the options at the approval date in the Shareholder's Meeting (16th December 2015).

The full amount of expenses is recognised during the vesting period, when all the vesting conditions must be complied with. GAM considered the start of accrual on July 29, 2015, when the refinancing agreement was terminated (Note 17), since the effectiveness of the Compensation Plan was subject to the success of refinancing.

At the year end, the Company reviews its estimate of the number of options it expects to consolidate following vesting conditions, other than market conditions.

The most relevant assumptions and judgements are detailed in Note 4.2 b).

Extraordinary Variable Compensation Plan 2018

As of July 3, 2018, a new Extraordinary Variable Compensation Plan (hereinafter, the “Plan for accounting period 2018”) was entered into by the parent Company with some financing entities which were grantors under the Extraordinary Variable Compensation Plan for the accounting period 2015 (hereinafter, the “Plan for accounting period 2015”).

Under this Plan, GAM receives services from participating employees, and the parent Company’s equity instruments are delivered as consideration to those employees.

The most relevant aspects of the Plan are as follow:

- Grantors: The financial entities which entered the Plan, being all them grantors of the Plan for accounting period 2015.
- Beneficiaries: Those participating in the Plan for accounting period 2015 and which are current beneficiaries thereof and who waive their rights granted by Allotment A of the Plan for accounting period 2015 for the present. Allotments B and C in the Plan for accounting period 2015 remain unchanged.
- Plan description: Grantors award beneficiaries 10% of the consideration grantors receive from the delivery of GAM’s shares they own.
- The acceptance by beneficiaries implies the waive to Allotment A of the Plan for the accounting period 2015 corresponding to the grantors participating in this arrangement.
- Accrual will have 31st December 2019 set as deadline. As of this date, the Plan for accounting period 2018 will be ineffective, and beneficiaries will not have rights to compensation or indemnity. The obligation of grantors with beneficiaries under Allotment A of the Plan for accounting period 2015 will not be reactivated.
- Payment method: The payment will be made in the same form grantors receive the compensation, being cash, securities or both. Nevertheless, each entity will be entitled to pay a received non-cash compensation in cash.
- Quantitative limit: The maximum amount payable by each one of the grantors will not exceed the value of GAM’s shares beneficiaries should have received under Allotment A of the Plan for accounting period 2015.

Methodology and assessment valuation for the stock options plan 2018

As a result of the inputs obtained to the valuation date (approval date of the Plan: 3rd July 2018), the Group estimated the market value under the new Plan taking into account the historical share prices, the number of shares deliverable (13,382,201), and the percentage of the transaction delivery value with Orilla Asset Management, S.L. (before named Halekulani, S.L., company linked to the main shareholder), i.e. 10%. The market value estimated under the Plan amounted to 1,526 thousand euros.

Based on the specific conditions of the granted plan, this Plan is considered as a transaction with stock option payments following the IFRS 2, by which the Company acquires the services provided by Managers incurring in an obligation of an amount established by the value of shares and recognised under the Company's equity. The fair value of these services provided by the employee in exchange for options is recognised as personnel expenses, under the entry Equity. The IFRS 2 establishes that in case of amendments to conditions which entail an increase of the equity instrument fair value, valued before and after the amendment, the Company must recognise the incremental fair value in the valuation of the granted instruments.

The procedure followed to re-estimate the compensation plan for the accounting period 2015 on 3rd July 2018 is as follows:

- Estimate of Montecarlo simulations for the usual value of GAM's shares, when performance follows a normal distribution.

- In each Montecarlo simulation the number of shares was estimated and the share value, following the formulae described in the previous section and considering the reduction effect of the stay bonus.

- The average discounted from each allotment was estimated, and the Plan's end value was obtained.

The initial valuation on 3rd July 2018 for all the life of the old Plan was 933 thousand euros and the estimated maturity date was 31st March 2019.

The inputs used for valuation on 3rd July 2018 were as follow:

- Spot share market price: 1.935 euros
- Volatility: 57.08%
- Rate of interest: -0.08%

The full amount of expenses is recognised during the vesting period, when all the vesting conditions must be complied, i. e. March 31, 2019. The Company estimated the date based on agreements entered between Orilla Asset Management, S.L. (before named Halekulani, S.L., company linked to the main shareholder), and the financing entities, which are Company's shareholders, to purchase the Company's shares on 5th December 2018.

GAM estimated the initial accrual on 3rd July 2018. At the year end, the Company reviews its estimate of the number of options it expects to consolidate following vesting conditions, other than market conditions. Where appropriate, the effect of revising the initial estimations is recognised in the consolidated annual accounts, with the corresponding equity adjustment.

In the accounting period of 2019, one of the financing entities was the owner of 2,823,944 shares of GAM's social capital. As financial entities' divestment was not full, beneficiaries should maintain their employment relationship for two years more before consolidating the right to be delivered

the Ratchet 2018. Therefore, in 2019, the Ratchet 2018 consolidation period term is re-estimated until 31st March 2021, and the incremental fair value amounts to 1,346 thousand euros.

There were no changes registered in the Plans for the accounting accounting periods 2022 and 2021. No amount has accrued in the year 2022 (42 thousand euros in 2021).

The most relevant assumptions and judgements are detailed in Note 4.2.b.

2.19. Provisions

Provisions are recognised when:

- the Group has a present obligation (legal, contractual, or implicit) as a result of a past event;
- an outflow of funds is likely to be necessary for the future to settle the obligation; and,
- the amount may be reliably estimated.

Provisions are calculated at the present value of the disbursement expected to be needed to settle the obligation, using a pre-tax rate that reflects current market measurements of the time value of money and the specific risks attached to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

2.20. Revenue recognition

(a) Sale of goods

The sale is recognised when the product control is transferred, i. e. the products are delivered to the customer and when there exists no pending obligation to be complied with, which could affect the acceptance of the products by the customer.

(b) Provision of services

Likewise, revenue from the rendering of services is recognised during the period of provision of such services. When there are fixed-price contracts, income is recognised while delivering the current services at the end of the period and as a proportion of the provided services; in leases, it is done in a linear form during the lease term.

(c) Sale of property, plant and equipment held for lease

The Group acquires typically machinery to lease to third parties, which is subsequently sold in the ordinary course of business. Such machinery is registered and amortised, applying accounting policy criteria regarding property, plant and equipment. For that purpose, the Group periodically revises the amortisation item and the residual asset value according to the expected sale price and term. The Group reclassifies the assets to inventories when they cease to be leased and become held for sale. Disposals of these assets are recognised when the control thereof is

transferred under ordinary revenues on the sale of goods and supplies (sales cost) at net book value.

(d) Machinery sales with repurchase options and obligations

The Group sells machinery with repurchase options and obligations. For the sale of machinery with repurchase rights and responsibilities, the Group recognises the transaction as lease according to the IFRS 16 on Leases, as long as the repurchase price is lower than the original purchase price, except for sale and leaseback transactions.

In the case of signed funding agreements, the Group recognises the asset and records the financial liability for the consideration received, including the repurchase obligation or repurchase option.

In the case of signed non-funding agreements, the Group recognises the asset. It records the liability for arrangements at the amount corresponding to the delivery of future lease services and a financial liability corresponding to the repurchase obligation or option.

2.21. Lease contracts

(a) When a Group company is the lessee

The Group records a lease contract when it is entitled to execute the right-of-use assets for some time in return for a consideration.

As of the lease's start date, the Group records a right-of-use asset and a lease liability. The start date of the lease is when the lessor makes the underlying asset available for the lessee.

The cost of the right-of-use asset includes an initial valuation of the lease liability; subsequently, it is amortised and impaired following the IFRS 16 and adjusted due to the changes of the liability for lease after the start of the lease.

Assets related to the financial lease contract, which include an option to purchase, are amortised based on the useful lives of the elements acquired under each contract. These useful lives are always higher than the term of the financial lease contract.

Right-of-use assets recorded as a result of applying the IFRS 16, which are not related to a legal, financial lease contract, are amortised according to the lease contract term.

The Group applies the criteria for impairment of non-current assets described in Note 2.8 to the right-of-use asset.

Liabilities for lease are recognised upon entering into the contract at the lower of the fair value for the leased asset and the minimum leasing payment's present value. Each lease payment is apportioned between the reduction of the outstanding liability and the finance charge to produce a constant interest rate on the outstanding balance of the debt pending amortisation.

When the interest rate is not determined under the lease contract, assumptions are used to estimate the discount rate, which mainly depends on the financial increase rate for the estimated terms, and which represents the interest rate the lessee would have to pay for borrowing the required funds to obtain a right-of-use asset in a similar environment, for a similar term and with a comparable guarantee.

The Group estimates the lease term according to a non-cancellable time and the periods covered by renewal options exercised to the Group's discretion and reasonably.

The amounts to be paid throughout the lease term, net of financing charges, are recognised as long-term and short-term liabilities for the lease, depending on if the payment will be made after 12 months or before. The implicit interest cost is recorded in the consolidated annual accounts throughout the lease term to produce a constant periodic interest rate on the outstanding balance of the debt pending amortisation in each period.

The Group records the variable payments not included in the initial liability valuation under the annual accounts for the period in which the payments occur.

The Group recognises a change in the lease as a separate lease if this increases the lease scope adding two or more right-of-use assets; the consideration amount for the lease increases in an amount consistent with the individual price if the scope increases and if the unit price is adjusted to reflect the specific conditions of the contract.

In the case of intangible assets, short-term leases (lease term under 12 months) and lease of assets with low unit value, the Group implements practical legal exemptions. Therefore it recognises the lease payment corresponding as a linear expense for the lease term or any other systematic method if it better represents the Group's benefit pattern.

The nature of the central contracts entered by any of the GAM Group's companies as lessors are operating investments in machinery (machinery funded through financial lease contracts), property leases of the operating bases where the GAM Group's companies perform their activities, and leases of vehicles to be used by GAM group's staff in the course of their business operations.

(b) When a Group company is the lessor

Assets leased to third parties under operating lease contracts are included under property, plant and equipment in the balance sheet. These assets are amortised on a linear basis over their expected useful life, following criteria consistent with the Group's similar elements. The income from leases is recognised on a linear basis during the lease term.

The main contracts entered by the GAM Group's companies as lessors are machinery lease contracts. These contracts are temporary: daily, weekly, monthly, yearly, etc.

When the leases involve more than one year, the Group revises if this term is significant for the leased good's useful life.

The typology of these type of contracts has the following features:
- transfer of use under a lease basis;
- there is no purchase option for the lessee;
- there is no transfer of ownership, as the good is owned by the lessor (GAM Group);
- the lessee is liable for the appropriate use of the machinery.

Following the above features and the definition of leases given by the IFRS 16, the GAM Group records all leases as operating income on a linear basis for the lease term under the entry "Property, plant and equipment", except for disposals which are re-classified under inventories.

Due to the features of contracts where the GAM Group acts as lessor and given the temporary term of leases, there are no relevant contingent rents.

The GAM Group does not have cancellable lease contracts, i. e. it has no financial leasing contracts as a lessor.

2.22. Environment related expense

The expenses resulting from business actions aimed at environmental protection and improvement are expensed in the year incurred. When said costs entail additions to property, plant and equipment whose purpose is to minimise the environmental impact and environmental protection and improvement, they are recorded as an increase in fixed assets' value.

2.23. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and carried at the carrying amount or fair value, whichever is lower, minus the selling costs if their carrying amount is recovered principally through a sale transaction rather than through ongoing use.

As of December 31, 2022 and 2021, there are no non-current assets held for sale.

2.24. Dividends

As a result of the arrangements entered into with financial entities which signed the financial restructuring agreement, GAM will not be entitled to share dividends during the term of the Financing Agreement signed on March 31, 2015, and novated on November 29, 2022 (Note 17), unless the following conditions occur:

- no amounts are due under Allotment B, i. e. the amount under Allotment B is fully cancelled;

- no early maturity is materialised or will be materialised as a result of the share of dividends;

- that the net financial debt/EBITDA ratio, in conformity with the last Compliance Certificate delivered, is equal or under 3 times when the share of dividends is agreed and after the completion of such share;

- when the share of dividends is completed, there is an obligation of keeping cash equivalent to the minimum cash, amounting to 15,000 thousand euros.

The finance agreement signed by the European Investment Bank (EIB) on the November 30, 2022, establishes identical restrictions to distribution of dividends with the syndicated finance agreement explained above (Note 17).

Additionally, the base report on incorporation of values to the Alternative Fixed-Income Market (MARF) associated to the bond issue establishes the share of dividends under some financial rates with the contract's duration, specifically

- in the event of a net financial debt/EBITDA ratio equal or under the established levels under Note 17.

2.25. Going concern

The Group's working capital on December 31, 2022 is positive, amounting to 15,077 thousand euros (negative for 27,702 thousand euros on December 31, 2021).

For the accounting periods of 2022 and 2021, the Group realised some operations to strengthen its financial balance and assets.

As of January 28, 2021, GAM issued a program of promissory notes ("Programa de Pagarés GAM 2021") in the Alternative Fixed-Income Market (MARF) with an outstanding balance of up to 50 million euros. For the accounting period 2021, there are issuances registered amounting to 20 million euros. As of January 26, 2022, GAM novated the previous program of promissory notes ("Programa de Pagarés GAM 2022"), with the same maximum outstanding balance. For the accounting period 2022, at of the date of drafting of these annual accounts, an additional funding amounting to 18.9 million euros is registered.

As of July 6, 2021, the Group registered the first bond issue in the Alternative Fixed-Income Market (MARF) under the Programa de Renta Fija GAM 2021", with an amount of up to 80 million euros and to extend and diversify company's funding sources. As of July 5, 2021, the first issuance amounting to 30 millions took place for the partial cancellation of syndicated debt, specifically that for Allotment B. As of May 9, 2022, GAM novated the previous program named "Programa de Pagarés GAM 2022", with the same maximum outstanding balance.

As at November 30, 2022, GAM formalised a finance operation with the European Investment Bank (EIB), supported by the European Fund for Strategic Investments. The finance amount is 35 million euros and is for investments associated to multiple sustainability and innovation projects performed by the Group.

These operations, among others, have helped the Group to continue with its both organic and inorganic growth strategy, and business diversification, which has allowed the Group GAM, despite the difficult environment in which it moved in 2021 arising from the COVID-19 crisis consequences, and the effects from the military invasion of Ukraine by the Russian government on February 24, 2022 (Note 33), which highlighted the uncertainty and the global economic volatility in which the worldwide economy was immersed, to show high resilicience to the crisis.

Thousand euros

As evidence thereof, despite the difficult environment in 2022, the operating income has been positive in 16,653 thousand euros (positive in 11,021 thousand euros as at December 31, 2021), and the positive result in the year amounts to 7,867 thousand euros (positive in 2,697 thousand euros as at December 31, 2021).

The attached consolidated balance sheet shows a positive book value amounting to 97,545 thousand euros as of December 31, 2022.

The Group's treasury budget corresponding to the accounting year 2023 foresees the Group will not present difficulties to pay future obligations for this accounting period, and it expects to meet its payment commitments with the operational resources generated by its activity, as well as the amounts obtained through the financing methods before explained.

Additionally, as of December 31, 2022, the Group has undrawn credit facilities amounting to 2,086 thousand euros (24,454 thousand euros ad at December 31, 2021), and an undrawn amount of 10 million euros corresponding to the loan granted by the Group's Parent Company (Note 17).

The Parent Company presents positive accounting assets amounting to 127,723 thousand euros (+116,871 thousand euros as of December 31, 2021), and a negative working capital amounting to 4,423 thousand euros as of December 31, 2022 (+28,039 thousand euros as of December 31, 2021). The Group generates sufficient exploitation resources to meet its short-term commitments, and there are no restrictions on the movement of money among the Group's companies.

The Board of Directors approved the Business Plan for the period 2022-2026 on February 22, 2022.

Consequently, the Parent Company Directors have drafted these consolidated annual accounts by applying the principle of "on-going concern" as of December 31, 2022.

3. Financial risk management

3.1. Financial risk management

The Company's activities are exposed to various financial risks: interest risk, credit risk and impairment of financial assets, liquidity risk and exchange rate risk. The Group's Financial Management controls the previous risks following the guidelines agreed by the Board of Directors. Its decisions are monitored and approved by the Board of Directors.

(a) Interest rate risk

For the accounting periods 2022 and 2021, the Group's financing is subject to a fixed and variable rate interest. The debt novation in 2020 establishes variable financing subject to Euribor plus a margin (Allotment A), as described in Note 17, with the subsequent interest rate risk (see Note 3.4). Additionally, part of the Group's debt establishes a fixed rate type, mainly issued bonds and promissory rates, and the debt with the European Investment Bank (Note 17).

The Group’s interest rate risk arises from long-term external resources. The external resources issued at variable rates expose the Group to cash flow interest rate risk. The Group does not estimate relevant risk linked to the evolution of the variable interest rates the financing is subject to.

The GAM Group does not estimate a relevant risk due to the inter-bank interest rates' reform (IBOR rates). Regarding EURIBOR, reference index for the funding of part of the Group’s debt, a new estimation methodology was developed in previous periods. This new methodology was approved by authorities, there contracts referenced to Euribor do nor need to be modified.

(b) Credit risk and impairment of financial assets

The Group uses different methods to estimate the expected credit losses for the loans and financial assets at fair value with changes in other comprehensive income of trade debtors, assets for contracts with clients and recoverable for financial leases.

The Group’s credit risk is essentially caused for trade clients’ pending payments, not being those recoverable a relevant credit risk. A pertinent portion of sales is done to quoted or with recognised creditworthiness companies from industry, wind, events, energy and, to a lesser extent, construction markets. Sales to smaller or with a low credit rating companies are covered by assessing each case and with an insurer response of 95% (Note 10) of the possible risk of non-payment for insured companies.

The Group manages credit risk in advance, delivering services to its clients within the risk limits established by insurance policies and based on each client's credit experience and the future expected credit rating.

For the accounting period 2022, the Group strengthened its activity in the collection and risk department to comply with the collection objectives established before the crisis caused by the COVID-19 pandemic, and worsened because the uncertainty from the possible effects of the Russian military action in Ukraine started in February 2022. The Company continues with the business re-orientation strategy for industry clients and the increase of the distribution and purchase and sale business to acquire better-quality credit rating clients and reduce average collection terms, which shifted from 72 days as of December 31, 2021 to 69 days as of December 31, 2022. Nevertheless, previous years' management credit policies were not changed, as they were considered appropriate for the new social and economic reality.

For the possible impact of the COVID-19 crisis and the Ukrainian conflict, the Group has re-assessed the expected credit loss, including a stress variable based on clients' credit deterioration not covered by insurance policies. The average collection term has improved regarding the intermediate period before the crisis, and the percentage of covered debts has not been significantly changed. The Group has assessed the typology of trade debtors it operates and concludes that the number of clients which develops activities highly impacted by the crisis is not relevant. As a result of these factors, there is no relevant impact on assessing expected losses from trade debtors.

The maximum exposure to credit risk is described in Note 10.

(c) Liquidity risk

The Financial Management analyses the financial debt payment scheme and the corresponding short-term and medium-term liquidity requirements every month.

Investments aimed to growth (beyond equipment renewal) require high levels of investment, and the recovery is obtained along the machinery life and, consequently, the Group uses funding resources with long-term maturities.

For financing its working capital, the Group has contracted credit policies with long-term maturities, to get immediate funding up to 25,010 thousand euros in 2022 (as of December 31, 2022, the used amount is 22,924 thousand euros). Moreover, the Group has contracted confirming financial operations to manage payment to providers amounting up to 13,950 thousand euros in 2021 (as of December 31, 2022, the used amount is 6,866 thousand euros) (see Note 17).

Likewise, for 2021, the Group recorded a promissory notes program in the Alternative Fixed-Income Market (MARF) with an outstanding balance of up to 50 million euros. In 2021, there are some issues registered which amount to 20 million euros. Such program has been renewed in 2022 with issues amounting to 18.9 million euros.

Due to the lag in treasury and with an average collection term of 69 days in 2022 (72 days in 2021), the Company requires typically commercial discounts, the assignment of accounts receivable through factoring contracts and credit facilities (Note 17) the Company has agreed with some financial entities.

The expiration of the financial lease liabilities is detailed in Note 17.

Regarding the economic difficulties in the area where the Company operates in the last accounting periods, especially in the Spanish market, the GAM Group implemented appropriate measures to guarantee sufficient liquidity levels to attend business requirements. Although the situation is over and the Group is experiencing an ongoing improvement, these measures are kept, and among them:

- GAM continues increasing its diversification towards sectors other than building and towards complimentary services for machinery lease. Specifically, GAM increased and continues rising, revenues from non-CAPEX businesses, such as the purchase and sale, distribution, training and maintenance, to generate cash with a lower investment level.

- GAM tries to benefit from specific operating levers, reducing costs, optimising company bases and resources, using the most profitable machinery brands, etc.

As of December 31, 2022, the working balance is positive and amounts to 15,077 thousand euros (-27,702 thousand euros as of December 31, 2021), and the Group does not record non-

payments for this year. The Group generates sufficient exploitation resources to meet their short-term commitments (see Note 2.25).

Additionally, as a result of the health crisis caused by the COVID-19 pandemic, the Company has strengthened the management of the liquidity risk, negotiating the working capital policies (increasing their limit and maturity), and new loans under COVID-19 ICO credit lines, and the novation of the syndicated debt of Allotment A (Note 17).

In the second semester of year 2021, GAM Group registered in the Alternative Fixed-Income Market (MARF) a 5-year bond issue amounting to 30 million euros, partially aimed for the syndicated funding contract.

(d) Exchange rate risk

The Company operates internationally and is therefore exposed to exchange rate risks when using foreign currencies, especially concerning the US Dollar, the Mexican peso, the Chilean peso, the Peruvian sol, the Colombian peso, and the Moroccan dirham. The exchange rate risk arises from future business transactions, recognised assets and liabilities and net investments in businesses abroad.

In general, it is the Group's policy that operations in each country are financed by debts taken in each country's functional currency. The risk only affects the part corresponding to capital investments.

Since the spread of COVID-19, the American dollar has been the cornerstone of the global economy. Latin American currencies have lost value because of capital flights to safer countries and the worsened economic outlook. Mexico, Chile, and Colombia, where the Group invests, are among the most affected countries due to their currencies' depreciation.

Some of the Group's companies have long-term loans or recoverable with other Group's foreign companies. Consequently, the Group does not consider to pay a part of these loans now or in the foreseeable future. As a result of this, these loans have been registered as a Company's net investment in such foreign business. Therefore, exchange gains and losses arising in monetary captions that form part of the net investment in foreign operations shall be recognised in profit or loss in the separate financial statements of the foreign operation's individual financial statements. In the consolidated annual accounts, those exchange differences are initially recognised under Other comprehensive income and will be reclassified from equity to profit or loss as reclassification adjustments on the foreign operation's disposal.

The Group is always monitoring the exchange rate fluctuations, and it implements an annual sensitivity analysis on the possible impact on equity and operations income of the possible fluctuations.

Below, it is explained the sensitivity of profit or loss and equity to exchange rate types (thousand euros) for the currencies the Group operates and the Euro.

Thousand euros

	Increase in the exchange rate			Reduction on the exchange rate		
Currency	**Inter-annual variation**	**Variation in consolidated result 2022 (thousand euros)**	**(%)**	**Inter-annual variation**	**Variation in consolidated result 2022 (thousand euros)**	**(%)**
Mexican peso	6%	(129)	-1.87%	-6%	144	2.09%
Peruvian sol	6%	(8)	-0.11%	-6%	9	0.13%
US dollar	1%	(1)	-0.01%	-1%	1	0.01%
Moroccan dirham	0%	(1)	-0.02%	0%	1	0.02%
Chilean peso	4%	(56)	-0.81%	-4%	60	0.87%
Colombian peso	7%	(20)	-0.29%	-7%	23	0.33%
Dominican peso	5%	(30)	-0.43%	-5%	33	0.48%
Romanian leu	2%	-	0.00%	-2%	-	0.00%

	Increase in the exchange rate			Reduction on the exchange rate		
Currency	**Inter-annual variation**	**Consolidated equity variation 2021 (thousand euros)**	**(%)**	**Inter-annual variation**	**Consolidated equity variation 2022 (thousand euros)**	**(%)**
Mexican peso	4%	728	0.75%	-4%	(788)	-0.82%
Peruvian sol	6%	243	0.25%	-6%	(267)	-0.28%
US dollar	1%	85	0.09%	-1%	(86)	-0.09%
Moroccan dirham	0%	9	0.01%	0%	(9)	-0.01%
Chilean peso	4%	(223)	-0.23%	-4%	241	0.25%
Colombian peso	7%	255	0.26%	-7%	(282)	-0.29%
Dominican peso	5%	(84)	-0.09%	-5%	94	0.10%
Romanian leu	0%	43	0.04%	0%	(44)	-0.05%

The variation percentage for each exchange rate is estimated based on each exchange rate's historical inter-annual variation in the last accounting periods.

3.2. Fair value estimation and credit risk exposure

Following the IFRS 13, for financial information, the fair value measures are classified by levels following this hierarchy:

- Quoted price (not adjusted) in an active market for identical assets and liabilities (Level 1).
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2).
- Inputs for the asset or liability not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments which are not listed and do not have a readily available market value is determined through applying various valuation techniques. The Group uses various methods and draws up hypotheses based on the market conditions in force on each date on the balance sheet (market prices in the option's underlying asset, quoted interest rate curve, volatility derived from market data).

Non-current financial assets, recorded as of December 31, 2022 and 2021, cover mainly deposits and bonds delivered for the leased premises where the Group operates. The fair value of these assets is similar to their carrying value, and the maximum exposure to credit risk at the reporting date is the carrying value.

Current financial assets are mainly commercial debts. It is assumed that the books' amount, less the provision for the impaired value of payables and receivables, is close to fair value.

At the reporting date, the fair value of financial liabilities is estimated as the present value of contracted future cash out-flows applying the current market interest rate applicable to the Group were it to obtain a similar financial instrument. The fair value of financial liabilities is identical to its carrying value.

As of December 31, 2022 and 2021, there are no financial liabilities for compensation.

Credit risk and impairment of financial assets exposure

As disclosed in accounting policy on impairment of assets, the Group uses different methods to estimate the expected credit losses for the loans and financial assets at fair value with changes in other comprehensive income of trade debtors, assets for contracts with clients and recoverable for financial leases.

As of December 31, 2022 and 2021, the fair value of participating loans granted by the Group to third parties is zero.

The Directors estimate that financial assets measured at the amortised cost other than trade debtors have a very high credit rating. They are loans to personnel discounted in their payroll, fixed-term deposits, deposits, and bonds for leases whose expected losses are not significant. No expected losses related to these assets are recorded.

The following chart shows the internal risk rating, the gross amount and the impairment amount registered for trade debtors as of December 31, 2022 and 2021:

Thousand euros

Internal risk rating for accounting period 2022	Thousand euros		
	Expected loss rate in percentage	Commercial debtors	Impairment
Not due	0%	42,126	43
From 0 to 60 days	1%	7,055	74
From 60 to 120 days	4%	1,906	72
From 120 to 180 days	4%	2,194	83
More than 180 days	99%	11,453	11,314
Balance as of December 31, 2022	21%	64,734	11,586

Internal risk rating for accounting period 2021	Thousand euros		
	Expected loss rate in percentage	Commercial debtors	Impairment
Not due	0%	38,982	15
From 0 to 60 days	2%	5,857	110
From 60 to 120 days	8%	561	47
From 120 to 180 days	10%	1,085	108
More than 180 days	98%	11,353	11,084
Balance as of December 31, 2021	24%	57,838	11,364

The impairment movement for commercial and other receivables for the accounting period 2022 is described in Note 10.

As explained in Note 3.1(b), a significant part of Group sales are covered. Covered trade debtors amount to 35,166 thousand euros and 29,457 thousand euros at the end of the accounting periods 2022 and 2021, respectively. Regarding the above balances, the Group does not estimate significant expected losses related to these assets.

Non-financial assets and liabilities

As explained in Note 4.1.e, the Group uses certain circumstances to analyse the recoverability of property, plant and equipment, the disposal value minus the sale cost, based on the Group's recent market transactions. In that regard and taking into account comparable transaction, the hierarchical level for the valuation method used to estimate the fair value is Level 2 and 3, subject to the valuation method used (based on the market value corrected by costs of sale, or bases on discounted cash flows).

3.3. Movement sensitivity for interest rates

As described in Note 17, the financial debt pays a fixed interest rate and is recorded under amortised cost as of December 31, 2022 and 2021. Therefore, it is not subject to interest rate risk as defined under IFRS 7 since the carrying amounts and cash flows will fluctuate due to changes in market interest rates.

For the debt referenced to a variable interest rate, the Group does not estimate a significant risk linked to its evolution, since those rates are variable, but stable (Euribor).

3.4. Heritage management and level of indebtedness

The Group aims to have sufficient equity to obtain the necessary financing for maintaining its business through borrowings, but without compromising its solvency and maximising its performance so that shareholders can benefit from the equity invested. The Group does not operate within specific capital requirements areas and complies with legislation (Law on Corporations) regarding minimum capital requirements.

Generally, machinery purchase has been financed with financial leasing contracts and other loans; companies' acquisition through deferral of payments, bank loans and, where appropriate, increases in the capital; purchase of real estate and lands through mortgage loans and to fund cash-flow, the Group uses commercial discounts, factoring, credit policies, and the Alternative Fixed-Income Market (MARF).

As a result of the existing funding requirements, the Group has not shared dividends since its constitution, as described in Note 2.24. Regarding the commitments with financial entities which signed the refinancing agreement in 2015 and its novation in 2020, and those from the bond issue in the Alternative Fixed-Income Market (MARF) in 2021 and the agreement entered with the EIB, GAM will not be entitled to share dividends under certain circumstances. The Group manages its capital requirements by controlling the degree of indebtedness, i. e. the times net debt exceeds equity. Net debt is debt from financial leasing, debt from bonds convertible, participating loans and other financial debts, minus the debt financed by suppliers of fixed assets and bank debt, bonds and cash in bank and cash equivalents, and by adding other liabilities not recorded in the balance sheet (mainly, guarantees). Equity is the total equity.

As at November 29, 2022, a new novation of the syndicated loan took place, mainly with the incorporation of the acquired companies as loan guarantors in 2021 and 2022.

The novation agreement signed on 17th December 2020 establishes a new rating for accounting years 2021 to 2025, as explained in Note 17. As at December 31, 2022, the Group complies with the established rates.

Regarding the bond issue registered in the Alternative Fixed-Income Market (MARF) in 2021, there are new rates established for years 2021 to 2025, as explained under Note 17. As of December 31, 2022, the Group complies with the established rates.

The novation agreement signed with the Investment European Bank on November 30, 2022, established a new rating for accounting years 2022 to 2030 explained in Note 17. As of December 31, 2022, the Group complies with the established rates.

4 Accounting estimates and judgements

Estimates and judgements are assessed continuously and are based on historical experience and other factors, including expectations of future events which may be considered reasonable in the circumstances.

4.1. Relevant accounting estimates and judgements

In the consolidated annual accounts for accounting years 2022 and 2021, GAM Group applied and used estimations of the amount and value of certain assets, liabilities, revenues, costs and commitments registered in their corresponding entries and explained hereto. Specific accounting estimates are deemed significant if the nature of critical assessments is material and when changes in these estimates may have a relevant impact on GAM's consolidated annual accounts and its financial position or operating returns.

To calculate and determine the estimations and hypothesis detailed below, the Group has considered the risk of climate change, which has had a very relevant impact in the development of new climate policies and in the approval of new laws and regulations in Spain and the European Union. The Group has determined that, because of the nature of its business, such risk does not significantly impact in the estimates detailed below, neither those related with the useful lives of the assets nor the impairment assessments of them. As described in the Company's Non-financial information statement, 78.9% of the Group's machine pool consists of zero-emission vehicles as at December 31, 2022.

Although Management carried these estimations based on the best available information at the end of each accounting year, applying their best assessment and knowledge of the market, future events may force them to be modified in following accounting periods. Following IAS 8, the effects of changes in estimates will be recognised prospectively in the consolidated annual accounts.

(a) *Useful lives and residual values of property, plant and equipment*

The Group estimates the useful lives and residual values of property, plant and equipment based on their use and expected wear, commercial and technical obsolescence and historical experience. Regarding machinery, the lease cycles are lower than the useful technical life, as GAM Group's quality and commercial policy requires a high performance for leased machinery and up-to-date technology. Management re-estimates useful lives and residual values of machinery at the end of each accounting year (Note 2.5).

As a result of applying the previous factors and the short existence of the Group, such re-estimates can entail some changes in corresponding parameters.

Thousand euros

(b) *Recoverability of deferred tax assets*

Management assesses the recoverability of deferred income tax assets and tax credits based on estimates of future results by analysing if they will be sufficient for the periods those deferred taxes are deductible. In this assessment, Management considers the foreseen reversion of deferred tax liabilities, the planned fiscal outcome and the applicable rules in force. Deferred tax assets are only valued insofar as it is probable their future recoverability. Management estimates active deferred taxes recorded by the Group will be probably recovered. Nevertheless, these estimates can be altered in the future as a change in the fiscal legislation and the impact of future transactions in fiscal balances.

For the accounting period 2022, the Group recognises deferred tax assets corresponding to negative fiscal balances, based on the recoverability of the same in the last accounting periods and the recoverability estimate according to the Business Plan 2023-2026 approved by the Board of Directors (Note 2.25), and adapted to the budget approved for 2023.

In the last accounting periods, except for 2021, the Group has recovered a minimum of 1 million euros per year from negative tax bases. The Group estimates this trend will probably continue in the following accounting years following the Business Plan above.

In 2022, the Group recognises deferred tax assets related to tax credits (Note 2.17 and Note 27).

(c) *Classification of lease contracts and estimates of right-of-use assets and liabilities for leases*

The Group acts as lessee and lessor.

For those contracts where the Group acts as lessee, all operations are registered as financial leases, except for exceptions detailed in Note 2.21.

As to determine the lease term, the GAM Group considers all relevant events and circumstances which are a significant economic incentive for the lessee to execute renewal or not execute cancellation. Renewal and termination options are only included in determining the lease term if the contract is going to be extended or not cancelled reasonably. As a result of a relevant event or change in circumstances that affect the term's determination, the GAM Group revises the assessment performed to determine the lease term.

For those contracts where the Group acts as a lessor, the Management determines the classification of such lease operations as operational or financial leases based on the transfer of risks and the advantages from the ownership of the leased assets between the lessor and the lessee. As explained in Note 2.21, a lease is considered financial when all property risks and benefits are substantially transferred from the lessor to the lessee. On the contrary, in operation leases, all property risks and benefits are not substantially transferred from the lessor to the lessee. As of December 31, 2022 and 2021, the Group does not act as a lessor under financial leases.

(d) *Non-financial assets recoverability*

Property, plant and equipment recoverability

The Group assesses at the closing of each accounting year if there is evidence of impaired assets. If there is such evidence, the Group performs an estimate of the recoverable amount for the asset.

The analysis of impairment evidence is performed at different levels.

There is impairment evidence for cash-generating units (CGUs) or groups of CGUs if the EBITDA is negative for a continuous period or there are significant deviations from the business plan. The Group analyses evidence of impairment of assets in levels lower than CGUs, i.e. for any machine or group of machinery. Under this level, the sale with loss due to non-exceptional reasons or a relevant decrease in the performance of a group of machinery is evidence of impairment.

Cash-generating units (CGUs) are the smallest identifiable group of assets that generates cash inflows, mostly independent of the cash inflows from other assets. The GAM Group defines CGUs as a group of non-financial assets at a country level, mainly part of the machine pool.

Additionally, the Group analyses the recoverability of non-financial assets if there is any evidence of impairment, as occurs in the accounting year 2021 2021 as a result of the COVID-19 pandemic in 2020, which caused a health and global economic crisis, and the possible impacts of the conflict between Russian and Ukraine started in 2022, which may decrease profitability, higher credit risk for clients, difficulties to receiving financing or non-compliance with business plans, among others, due to macroeconomic factors.

The recoverable amount for machinery was determined on the usage value or fair value, minus the estimated costs of sale, the higher of the two. To calculate the fair value minus the costs of sale, two methods are used: the market value of the machinery minus expenses of sale (i. e., the market value addition for each machine sold individually), or discount of the cash flows to obtain machinery under lease contracts.

Goodwill

The Group checks annually if there are losses in goodwill due to impairment of assets under the accounting policy described in Note 2.6.a). These figures require the use of estimates (Note 8).

The recoverable amount for machinery was determined on the usage value or fair value, minus the estimated costs of sale, the higher of the two. For the purposes of estimating the fair value minus the costs of sale, two methods are used: the market value of the machinery minus the expenses of sale (i., e. the market value addition for each machine sold individually), or discount of the cash flows recorded in the Business Plan approved by the Board of Directors (i.e. the fair value for all the CGUs or group of CGUs).

No impairment of goodwill is recorded for the accounting periods 2022 and 2021.

The key assumptions used in measuring the recoverable amount of the different CGUs or group of CGUs, including the sensitivity analysis, are detailed in Note 8.

Thousand euros

(e) *Fair value of financial instruments*

The fair value of financial instruments which are not listed is determined by applying various valuation techniques. The Group uses its judgement to select multiple methods and make assumptions based mainly on existing market conditions at each balance sheet date (Note 3.2).

(f) *Inventories*

Inventories are stated at the lower of cost and net realisable value. Regarding the net realizable value of spare parts for sale, the Company estimates the price which may obtain of these in second-hand markets.

(g) *Fair value of assets and liabilities acquired in business combinations*

Business combinations where the Group acquires the control of one or some businesses are registered by the acquisition method, which generally implies the registry of the acquire assets, the assumed liabilities and any contingent consideration.

4.2. Relevant judgements to apply accounting policies

(a) Derecognised financial assets in the balance sheet

Financial assets are derecognised when the rights to receive related cash flows have matured or have been transferred, and the Group has substantially transferred the risks and rewards inherent to ownership.
The Group estimates that rights to receive cash flows and risks and benefits of receivables from factoring without recourse arrangements are transferred. Therefore 8,545 thousand euros were derecognised for those receivables as of December 31, 2022 (4,765 thousand euros in 2021). This amount includes 8,545 thousand euros for factoring lines (1,756 thousand euros in 2021).

(b) Stock options plan

The Group makes the following judgements to apply the IFRS 2:
- Regarding Allotment A and Additional Allotment, the payments based on shares are paid with equity instruments, as there is no obligation of cash payment for these allotments.
- Likewise, the financial entities are not a Group, but related parties, for this Plan's purposes.
- There are not other terminations of contracts foreseen for Managers participating in the Plan for the term thereof, other than those that occurred in the accounting year 2019.

(c) Capitalisation of machinery renewal, increase and improvement costs

Given the nature of the business sector, the Group incurs a high volume of repair and maintenance, renewal, increase and improvement costs.
During the year, the Group capitalises renewal costs as additions to intangible fixed assets under the entry Machinery (Note 7). According to the applicable financial information market, the

capitalised amounts as a higher value of asset correspond with renewal, increase or improvement costs. Repair and maintenance costs are not capitalised, and they are recorded under the entry for accounting year expenses. It is required some degree of judgement to determine if the expenses incurred comply, or not, with the criteria for their activation.

Thousand euros

5 Segment reporting

The definition of segment and the way the Group splits the financial information complies with the IFRS 8 in accordance with the information which regularly revises the Board of Directors.

The Board of Directors analyses the profitability of the operating segments based on a recurring EBITDA valuation. This valuation basis excludes the impact of non-recurring expenses of the operating segments as the reestructuring costs, legal expenses and the goodwill impairment when this impairment is the result of a non-recurring sole event. Interest income and expenses are not allocated to segments, since this type of activity is performed by central treasury in order to manage the Group's cash.

The operating segments identified by the Board of Directors are based in a geographical perspective criterion, based on the internal trade structure, in the business model developed in each geographical area and following the internal reports which are periodically revised by the Board of Directors to assign the resources to each segment and assess their performance. The segments are the following: Spain, Portugal, LATAM, Arabia and Morocco. The relevant segments to be informed in accordance with the IFRS 8 are Spain, Portugal and LATAM.

Each segment contains the Group's operations located in each one of the countries part of the segment.

The information per segments for the years ended in December 31, 2022 and 2021, is the following:

Thousand euros

	2022				
	Thousand euros				
	Spain (3)	Portugal	LATAM	Remaining	Total
Total income per segment	**173,365**	**17,688**	**31,565**	**4,369**	**226,987**
Inter-segment income	(3,733)	(13)	(2)	-	(3,748)
Ordinary segment income with external clients	**169,632**	**17,675**	**31,563**	**4,369**	**223,239**
% regarding the total	76%	8%	14%	2%	100%
Ordinary income from external clients	**169,632**	**17,675**	**31,563**	**4,369**	**223,239**
Income from companies carried by the equity method	-	-	-	1,533	1,533
Accounting EBITDA (1)	**38,196**	**7,120**	**10,905**	**1,655**	**57,876**
Other non-recurring expenses(5)	430	5	28	-	463
Recurring EBITDA (2)	**38,626**	**7,125**	**10,933**	**1,655**	**58,339**
% regarding the total	71%	11%	16%	1%	100%
% regarding ordinary income	25%	37%	29%	25%	26%
Reconcilement:					
Amortisation					(41,223)
Impairment					-
Operating income					**16,653**
Financial income					143
Financial expense					(9,334)
Exchange differences					(413)
Pre-tax profit					**7,049**
Income tax					818
Year-end result					**7,867**

(1) The accounting EBITDA is the aggregation of entries "Exploitation result" plus "Endowment to the amortization" plus "Impairment".

(2)The recurring EBITDA is the aggregation of the accounting EBITDA plus Total non-recurring expenses.

(3) The expenses attributable to the Parent Company are distributed among the different segments.

(4) Non-Spain segments exclude the re-leases performed to avoid operating investments.

(5) Non-recurring expenses mainly include expenses from staff compensation amounting to 286 thousand euros (Note 25), expenses associated to refinance amounting to 107 thousand euros and expenses from acquisitions amounting to 70 thousand euros.

The operating investments for 2022 are the following:

	Thousand euros				
	Spain	Portugal	LATAM	Remaining	Total
Operating investments(1)					
Property, plant and equipment	30,848	1,917	2,747	99	35,611
Right-of-use assets	8,223	963	2,998	1,942	14,126
	39,071	**2,880**	**5,745**	**2,041**	**49,737**

(1) Operating investments include investments on machinery.

Thousand euros

The comparative information per segments provided by the Board of Directors for the segments to inform regarding the year ended on December 31, 2021, is the following:

	2021				
	Thousand euros				
	Spain (3)	Portugal	LATAM	Remaining	Total
Total income per segment	**130,921**	**13,198**	**24,467**	**2,506**	**171,092**
Inter-segment income	(2,820)	(9)	(1)	-	(2,830)
Ordinary segment income with external clients	**128,101**	**13,189**	**24,466**	**4,163**	**168,262**
% regarding the total	76%	8%	15%	1%	100%
Ordinary income from external clients (Note 22)	**128,101**	**13,189**	**24,466**	**2,506**	**168,262**
Income from companies carried by the equity method	-	-	-	1,657	1,657
Accounting EBITDA (1)	**30,992**	**4,833**	**7,086**	**619**	**43,530**
Other non-recurring expenses(5)	583	22	86	-	691
Recurring EBITDA (2)	**31,575**	**4,855**	**7,172**	**619**	**44,221**
% regarding the total	71%	11%	16%	1%	100%
% regarding ordinary income	25%	37%	29%	25%	26%
Reconcilement:					
Amortisation					(32,057)
Impairment					(452)
Operating income					**11,021**
Financial income					261
Financial expense					(7,763)
Pre-tax profit					**3,519**
Income tax					(822)
Year-end result					**2,697**

(1) The accounting EBITDA is the aggregation of entries "Exploitation result" plus "Endowment to the amortization" plus "Impairment".

(2)The recurring EBITDA is the aggregation of the accounting EBITDA plus Total non-recurring expenses.

(3) The expenses attributable to the Parent Company are distributed among the different segments.

(4) Non-Spain segments exclude the re-leases performed to avoid operating investments.

(5) Non-recurring expenses mainly include expenses from staff compensation amounting to 465 thousand euros (Note 25), expenses associated to refinance amounting to 52 thousand euros and expenses from stock options amounting to 42 thousand euros.

The operating investments for 2021 are the following:

Thousand euros

	Thousand euros				
	Spain	Portugal	LATAM	Remaining	Total
Operating investments[(1)]					
Property, plant and equipment	36,634	2,661	3,592	1,261	44,148
Right-of-use assets	13,323	590	1,088	468	15,469
	49,957	**3,251**	**4,680**	**1,729**	**59,617**

(1) Operating investments include investments on machinery.

The amounts provided by the Board of Directors regarding operating investments are vualued in accordance with the same criteria tham those applied in the drafting of the consolidated annual accounts. These assets are allocated as per segment activities and the physical location of the assets.

We include detailed information on the impairment test regarding the goodwill value under Note 8.

The sales among segments are carried out at market conditions. The ordinary income from external clients informed to the Board of Directors are valued according to the criteria consistent with those applied to the result account. The geographical information regarding income from ordinary activities from external clients is explained under Note 22.

The amount corresponding to assets and liabilities per segment as at December 31, 2022 and 2021, is as follows:

	Thousand euros				
2022	Spain	Portugal	LATAM	Remaining and inter-segment eliminations	Total
Assets[(1)]	397,353	53,793	51,403	(52,416)	450,133
Liabilities[(1)]	**331,837**	**29,067**	**52,600**	**(60,916)**	**352,588**

	Thousand euros				
2021	Spain	Portugal	LATAM	Remaining and inter-segment eliminations	Total
Assets[(1)]	302,507	48,906	43,831	(56,035)	339,209
Liabilities[(1)]	**241,356**	**27,073**	**22,215**	**(36,358)**	**254,286**

(1) Remaining and inter-segment eliminations includes non-relevant segments and inter-segment eliminations of assets and liabilities, among them, investments in Group companies eliminated for consolidation purposes.

The accounting EBITDA, the recurring EBITDA and Total non-recurring expenses along with the operating investments or CAPEX are established as Performance Alternative Measures (APM) in accordance with the ESMA guidelines (see Attachment to the Management Report "Performance Alternative Measures").

Thousand euros

6 Business combinations

As of January 27, 2022, the Group has acquired 67.3% of shares representative of the company Grupo Dynamo Hispaman S.L. (“GDH”) through the purchase of 41.33% company shares for a total amount of 798 thousand euros, and the subsequent capital increase of the acquiring company amounting to 1,440 thousand euros corresponding to 1,440 shares. Additionally, an outstanding amount of 400 thousand euros is ending, to be paid between January 2026 and January 2028. The transaction total amount is 2,638 thousand euros.

The company has its registered address in Madrid, and its main activity includes the lease and sale of forklift.

The main reasons for these acquisitions are the GAM Group growth strategy, the inorganic method to accelerate growth, and the existing synergies between the business of the lease and sale of maintenance equipment, since both companies are present in markets where GAM is already carrying out its activity, the interest in developing the business linked to long term lease, a business that the acquired companies develop and that, together with the network of branch offices of the GAM Group in Spain, will enable a faster growth, as well as access to the exclusive distribution of the brand Yale® in the some areas of Spain to be the exclusive delaler of the brand in Spain.

The acquired business has generated for the Group ordinary revenues and consolidated income amounting to 10,003 and 0 thousand euros for the period between the acquisition date and the 31st of December 2022, respectively.

Additionally, on 31st March 2022, the Group has also acquired two branches of the companies Intercarretillas, S.L, and Interplataformas, S.L., integrated in the Group’s companies Recambios, Carretillas y Maquinaria, S.L. and GAM España Servicios de Maquinaria, S.L.U., respectively. The transaction has been conducted through a purchase and sale agreement for a total amount of 3,911 thousand euros.

The main reasons for this acquisition arise from the GAM Group’s strategy for its organic and inorganic growth, since the acquired branch of activity develops its activity within the scope of the businesses of long term lease of machinery, a business that is similar to that of General de Alquiler de Maquinaria, and develops its operation in markets where the GAM Group operates, as the South of Spain. This will contribute to the generation of synergies because of the unification of the business that the acquired business activity develops and that, together with the network of branch offices of the GAM Group will allow a more accelerated growth.

The acquired business has generated for the Group ordinary revenues and consolidated income amounting to 2,697 and 756 thousand euros for the period between the acquisition date and the 31st of December 2022, respectively.

If the acquisition had occurred on the 1st of January 2022, the Group’s ordinary revenues for the accounting period 2022 would have been higher by 0.30%.

Thousand euros

The transferred considerations, the fair value of the acquired net assets and goodwill (or the excess of acquired net assets over the combination costs) are as follow:

	Thousand euros		
	Grupo Dynamo Hispaman, S.L	**Intercarretillas**	**Interplataformas**
Delivered consideration			
Paid cash	2,239	3,000	484
Disbursement pending payment	400	342	85
Total delivered consideration	**2,639**	**3,342**	**569**
Intangible fixed assets (Note 8)	1,965	102	6
Tangible fixed assets (Note 7)	12,037	3,402	371
Rights of use (Note 16)	4,042	211	-
Financial assets	37	-	-
Deferred tax assets	-	-	-
Inventories	2,142	120	14
Compensation assets	1,013	62	-
Trade debtors and other receivables	1,386	-	-
Cash	1,536	-	-
Deferred tax liabilities	(678)	-	-
Provisions	(1,013)	(62)	-
Client contract liabilities	(6,467)	(670)	-
Financial debts	(10,131)	(224)	-
Lease liabilities	(3,826)	(840)	(104)
Other debts	(192)	-	-
Trade and other payables	(2,572)	-	-
Fair value of the acquired net assets	**(721)**	**2,101**	**287**
Goodwill (excess of acquired net assets over the acquisition cost)	**3,360**	**1,241**	**282**

There are no contingent considerations.

As a result of recognising these business combinations at fair value, compensation assets amounting to 1,075 thousand euros are recorded. The previous partners cover each company's possible contingencies through agreements with the same amount and maturity. Such contingencies have been duly provisioned at the acquisition date.

Intangible fixed assets amounting to 321 thousand euros, the valuation of the contract portfolio signed by the acquired company Grupo Dynamo Hispaman S.L. and by the acquisition of the branches of activity of Intercarretillas, S.L, and Interplataformas, S.L.

Additionally, concerning the acquired company Grupo Dynamo Hispaman S.L , the valuation of the distribution contract entered with the brand Yale® in the central region of Spain has been recorded under intangible fixed assets in the amount of 1,717 thousand euros. Such agreement turns the GAM Group as the exclusive dealer for the brand in Spain.
For analysing the fair value of such agreements and the contract portfolio, it is used the Multi-Period Excess Earnings Method (MEEM) method, which requires the projection of revenues and expenses attributable to the remaining useful life of the intangible asset.

The contract portfolio is amortised on a straight-line basis subject to contractual maturities.
The distribution contract is amortised on a straight-line basis subject to the projected duration of the contract leading to its recognition.

As a result of the acquisitions performed this year, goodwill of 4,883 thousand euros (Note 8) has been recorded in the accounting year 2022.

As qualitative factors that make up the recognised goodwill, the Group expects that the acquired machinery, once integrated into the Group's machine park, can generate sufficient cash flows to recover the excess of the paid price. There are numerous synergies between the acquired companies and the Group's operations which will contribute to an increase in the sales and an improvement of the margins, such as the use the network of branches for commercial, operational, and administrative purposes, and the expansion of the Yale® sales network in Spain.

The Group has recognised 21 thousand euros for transaction costs of prior business combinations under the entry Other operating expenses.

The total amount paid in year 2022 relating the business combinations amounted to 6,773 thousand euros, of which 600 correspond to payments of the business combination of Gallega de Manutención, GALMAN, S.L., and of which 1,050 correspond to the business combination of Recambios, Carretillas y Maquinaria, S.L. which took place in year 2021, which, along with the cash inflow from the business combinations of year 2022, in the amount of 1,536 thousand euros, represented a net cash outflow of 5,237 thousand euros.

Acquisitions in year 2021

Thousand euros

	Thousand euros				
	Recambios, Carretillas y Maquinaria, S.L.	**Sociedad de Intermediación de Maquinaria, S.L.**	**Alquitoro 3000, S.L.**	**ASCENDUM**	**PRAMAC CARIBE, S.R.L**
Delivered consideration					
Paid cash		7,700		3,650	94
Disbursement pending payment		2,100		-	
Total delivered consideration		**9,800**		**3,650**	**94**
Intangible fixed assets (Note 8)	2,174	-	-	1,075	
Tangible fixed assets (Note 7)	7,915	-	-	4,837	18
Financial assets	139	-	-	-	-
Deferred tax assets	-	5	22	-	-
Inventories	10	-	-	228	416
Compensation assets	744			-	-
Trade debtors and other receivables	1,392	30	9	-	106
Cash	3,053	204	272	-	64
Deferred tax liabilities	(1,064)	-	-	-	-
Provisions	(744)	-	-	-	-
Client contract liabilities	(1,949)	-	-	(3,133)	-
Trade creditors and other receivables	(1,130)	(16)	(19)	-	(492)
Fair value of the acquired net assets	**10,540**	**223**	**284**	**3,007**	**112**
Goodwill (excess of acquired net assets over the acquisition cost)		**(1,247)**		**643**	**(18)**

As of July 14, 2021, the Group acquired 100% of shares of the companies Recambios, Carretillas y Maquinaria, S.L., Alquitoro 3000, S.L. and Sociedad de Intermediación de Maquinaria, S.L. through a purchase and sale agreement entered with the prior partners of these companies, with a total amount of 9,800 thousand euros, of which, 7,700 thousand euros were paid in 2020, and an outstanding amount of 1,050 thousand euros to be paid in July 2022 and 1,050 thousand euros to be paid in July 2023.

The companies, part of the same group, have their registered addresses in Madrid, and its main activity includes the lease and sale of forklift.

The acquired business generated for the Group ordinary revenues and consolidated income amounting to 3,537 and 319 thousand euros for the period between the acquisition date and the 31st of December 2021, respectively.

If the acquisitions had occurred on the 1st of January 2021, the Group's ordinary revenues for the accounting period 2021 would have been higher by 3%.

As of July 30, 2021, the Group acquired the branch of activity associated to the business of load moving machinery of the company ASCENDUM III - Máquinas Unipessoal Lda, which has integrated with the company GAM Portugal Lda. The transaction has been conducted through a purchase and sale agreement for a total amount of 3,650 thousand euros.

Thousand euros

The acquired business generated for the Group ordinary revenues and consolidated income amounting to 1,649 and 205 thousand euros for the period between the acquisition date and the 31st of December 2021, respectively.

If the acquisitions had occurred on the 1st of January 2021, the Group's ordinary revenues for the accounting period 2021 would have been higher by 1%.

As of November 29, 2021, the Group acquired the company PRAMAC Caribe, S.R.L. through a purchase and sale agreement entered with the prior partners of these companies for a total amount of 94 thousand euros

The company, registered in the Dominican Republic, has as its core business activity the sale of electrogene groups.

The acquired business generated for the Group ordinary revenues and consolidated income amounting to 132 and 18 thousand euros for the period between the acquisition date and the 31st of December 2021, respectively.

If the acquisitions had occurred on the 1st of January 2021, the Group's ordinary revenues for the accounting period 2021 would have been of 168,474 thousand euros.

In the case of ASCENDUM business combinations, as qualitative factors that make up the recognised goodwill, the Group expects that the acquired machinery, once integrated into the Group's machine park, can generate sufficient cash flows to recover the excess of the paid price. There are numerous synergies between the acquired company and the Group's operations in Spain which will contribute to an increase in the sales and an improvement of the margins, such as the use the network of branches for commercial, operational, and administrative purposes, and the expansion of the brands Hyster® and Yale® in Portugal.

Thousand euros

7 Property, plant and equipment

The entries corresponding to property, plant and equipment are detailed in the following chart:

	Thousand euros						
COST	**Land and constructions**	**Technical installations**	**Machinery**	**Tooling and furniture**	**Other fixed assets**	**Advances and fixed assets in progress**	**TOTAL**
Balance sheet as of January 1, 2021	**14,587**	**12,652**	**245,512**	**3,888**	**5,746**	**129**	**282,514**
Increases	18	1,057	52,660	117	307	-	54,159
Decreases	-	-	(23,246)	(15)	(370)	(62)	(23,693)
Bussiness combinations	-	-	12,658	8	104	-	12,770
Translation differences	-	28	(592)	3	(3)	5	(559)
Transfers	(12)	2	(7,230)	(77)	(3)	-	(7,320)
Balance as of December 31, 2021	**14,593**	**13,739**	**279,762**	**3,924**	**5,781**	**72**	**317,871**
Increases	904	1,406	43,124	129	331	172	46,066
Decreases	(4,628)	(1,785)	(29,176)	(93)	(358)	-	(36,040)
Bussiness combinations	-	26	15,337	176	271	-	15,810
Translation differences	-	405	1,121	13	20	5	1,564
Transfers	-	39	(4,014)	28	3	(70)	(4,014)
Balance as of December 31, 2022	**10,869**	**13,830**	**306,154**	**4,177**	**6,048**	**179**	**341,257**

Thousand euros

	Thousand euros						
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	**Land and constructions**	**Technical installations**	**Machinery**	**Tooling and furniture**	**Other fixed assets**	**Advances and fixed assets in progress**	**TOTAL**
Balance sheet as of January 1, 2021	**(6,423)**	**(9,783)**	**(145,450)**	**(3,589)**	**(4,956)**	**-**	**(170,201)**
Increases	(178)	(504)	(17,561)	(70)	(323)	-	(18,636)
Impairment	-	(313)	-	-	-	-	(313)
Decreases	-	-	16,715	11	296	-	17,022
Translation differences	-	(19)	(370)	(2)	4	-	(387)
Transfers	-	-	(1,168)	77	4	-	(1,087)
Balance as of December 31, 2021	**(6,601)**	**(10,619)**	**(147,834)**	**(3,573)**	**(4,975)**	**-**	**(173,602)**
Increases	(593)	(742)	(22,870)	(157)	(236)	-	(24,598)
Impairment	-	-	-	-	-	-	-
Decreases	1,545	743	23,140	87	321	-	25,836
Translation differences	-	(42)	(1,176)	(10)	(19)	-	(1,247)
Transfers	-	37	(3,391)	(39)	2	-	(3,391)
Balance as of December 31, 2022	**(5,649)**	**(10,623)**	**(152,131)**	**(3,692)**	**(4,907)**	**-**	**(177,002)**
TOTAL 2021	**7,992**	**3,120**	**131,928**	**351**	**806**	**72**	**144,269**
TOTAL 2022	**5,220**	**3,207**	**154,023**	**485**	**1,141**	**179**	**164,255**

Thousand euros

The fixed asset recognition recorded for the accounting year 2022 includes an amount of 35,611 thousand euros for operational investments in machinery (44,148 thousand euros for the accounting year 2021) (Note 5), of which 11,899 euros (8,593 thousand euros in 2021) correspond to machinery acquired for sale under repurchase agreements, to which the asset control is not transferred. The remaining fixed asset recognition is mainly activations for renewals of fixed assets in use. The number of recognitions for activations has amounted to 8,019 thousand euros (7,155 thousand euros on 31st December 2021), recorded under "Other income" in the consolidated income statement. Under Other income there are mainly the amounts of the activation recognitions.

Transfers are mainly reclassifications from the entry “Right-of-use assets” for operational investments funded through financial lease contracts, ended in this accounting period and which amount to 10,129 thousand euros (2,580 thousand euros in the accounting period ended December 31, 2021), and reclassifications from the entry "machinery" to "rights of use" in the amount of 12,639 thousand euros (9,900 thousand euros in 2021) including the machinery directly acquired to the provider of which the Group is dealer, after a period of financing through financial lease contracts.

As of December 31, 2022, the entry “Decreases” includes derecognition due to the reclassification of used machinery for sale to inventories with an accounting net value of 3,277 thousand euros (3,622 as of December 31, 2021). The remaining derecognitions are withdrawals, including derecognition of replaced machinery parts with an accounting net value of 3,302 thousand euros (1,916 thousand euros in 2021) and derecognition of fully amortised elements.

The Company contracts the insurance policies deemed necessary to cover the possible risks that could impact property, plant and equipment.

Additionally, there are security interests over the machinery to cover the financing syndicated loan, and the loan security with the European Investment Plan (Note 17).

According to the criteria detailed in Note 2.5, the gross amount, and the accounting net value of the property, plant and equipment with residual value amount to around 354 and 200 million euros as of December 31, 2022, respectively (305 and 165 million euros as of December 31, 2021).

The cost of the fully amortised elements of property, plant and equipment and intangible fixed assets amounts to 103,560 thousand euros as of December 31, 2022 (111,060 thousand euros in 2021).

As of December 31, 2022, the Group has investments in property, plant and equipment abroad with a net value amounting to 49 million euros (42 million euros for the year 2021) and with the subsequent breakdown by country:

	Million Euros	
COUNTRY	**2022**	**2021**
Mexico	8	7
Peru	2	3
Portugal	19	17
Chile	12	8
Remaining countries	8	7
	49	**42**

Thousand euros

Impairment test for property, plant and equipment

The assessment of the evidence of impairment described in Note 4.1 (e) does not lead to the need to assess the recoverable value of property, plant and equipment for each CGU in the accounting period 2022. Nevertheless, as part of the impairment test, in the accounting period 2022, the recoverable value of non-financial assets for CGUs or groups of CGUs with associated goodwill was estimated, as explained in Note 8.

The key assumptions used in measuring the recoverable amounts of the assets, as well as the carrying amount of the non-current assets are detailed in Note 8 of the Goodwill.

Additionally, at a lower level if compared to the CGU, the Group has found during the accounting periods 2022 and 2021 that there was no impairment at the level of machine families.

8 Goodwill and other intangible assets

COST	Goodwill	Other intangible assets	Total
Balance sheet as of January 1, 2021	**126,014**	**8,673**	**134,687**
Increases	-	1,067	1,067
Bussiness combinations	643	3,249	3,892
Decreases	-	(29)	(29)
Balance as of December 31, 2021	**126,657**	**12,960**	**139,617**
Increases	-	1,034	1,034
Bussiness combinations	4,883	2,073	6,956
Decreases	-	(135)	(135)
Balance as of December 31, 2022	**131,540**	**15,932**	**147,472**

Thousand euros

ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	Goodwill	Other intangible assets	Total
Balance sheet as of January 1, 2021	**(106,178)**	**(6,565)**	**(112,743)**
Increases	-	(1,365)	(1,365)
Impairment	-	-	-
Decreases	-	17	17
Balance sheet as of December 31, 2021	**(106,178)**	**(7,913)**	**(114,091)**
Increases	-	(2,323)	(2,323)
Impairment	-	-	-
Decreases	**-**	**16**	16
Balance as of December 31, 2022	**(106,178)**	**(10,220)**	**(116,398)**
Total 2021	**20,479**	**5,047**	**25,526**
Total 2022	**25,362**	**5,712**	**31,074**

Additions corresponding to Goodwill for the accounting year 2022, in the amount of 4,883 thousand euros, arise from the acquisition of the branch of activity of Grupo Dynamo Hispaman, S.L. described in Note 6. Further, other intangible assets, in the amount of 2,073 thousand euros, includes the valuation of the distribution contracts and the portfolio of contracts of lease and maintenance of clients of the acquired companies.

Additions corresponding to the accounting year 2021 are due to the goodwill arisen from the acquisition of the companies Ascendum.

Additionally, the entry Other intangible assets mainly includes the cost of software applications used by the Group.

Impairment tests for goodwill

For impairment testing purposes, the goodwill acquired in a business combination is assigned to each one of the Group’s cash-generating units (CGU) or groups of cash-generating units, which are expected to benefit from the synergies of the business combination. As of December 31, 2022, the Group's goodwill is assigned based on CGUs receiving the machinery acquired in business combinations that led to the goodwill, as well as based on the function of the CGUs that are expected to develop the synergies required for their recovery.

The goodwill included in each segment as of December 31, 2022, is as follows:

Thousand euros

Amount in thousand euros	Spain	Portugal	LATAM	Morocco	TOTAL
As at 31 December 2022	8,527	7,150	8,412	1,273	25,362
As at 31 December 2021	3,644	7,150	8,412	1,273	20,479

The amount of 4,883 thousand euros, registered as new goodwill in the accounting year 2022 (Note 6), is allocated to the segment Spain, since the acquired and above described branch of activity was combined with the activities currently developed by the Group in the country.

The amount of 643 thousand euros, registered as new goodwill in the accounting year 2021 (Note 6), is allocated to the segment Portugal, since the acquired and above described branch of activity was combined with the activities currently developed by the Group in the country

In both cases, on the one hand, the Group expects that the acquired machinery, once integrated into the Group's machine park, can generate sufficient cash flows to recover the excess of the paid price. There are several synergies between the acquired companies and the Group's operations in Spain and Portugal which will contribute to an increase in the sales and an improvement of the margins, such as the use the network of branches in Spain for commercial, operational, and administrative purposes.

Additionally, under the national goodwill, an amount of 242 thousand euros is allocated to a group of assets linked to the acquisition of the company's branch of activity Manutenciones del Miño, S.L., acquired in the accounting period 2018.

Key assumptions used for estimating the recoverable amount of Goodwill

The impaired goodwill is estimated by assessing the recoverable value of the cash-generating unit or group of units to which goodwill is related. If the recoverable amount of the cash-generating unit or group of cash-generating units is lower than the carrying amounts, the Group records an impairment loss.

The CGUs or groups of CGUS to which the goodwill is assigned are never higher than the segments included in Note 6.

The CGUs correspond with Spain, Portugal, Morocco, Chile, Peru, Colombia, Mexico, Panama, and Dominican Republic. And the segments to which the Goodwill is allocated are Spain, Portugal, Morocco, and Latam. In the case of goodwill allocated to LATAM, this is assigned to a group of CGUs comprised of Chile, Peru, Colombia, Mexico, Panama, and Dominican Republic.

For those CGUs or groups of CGUs with goodwill associated, this was recorded under net tangible assets.

To estimate the impairment of the goodwill, the Group performs a recoverability test at least once a year. No impairment of the goodwill is recorded for the accounting period 2022.

Carrying amounts for each CGU are estimated based on the IAS 36, paragraphs 75-76. In this sense, carrying amounts for each CGU are calculated using a uniform method to estimate the recoverable value. Those assets directly attributable or distributed to each CGU following a reasonable and consistent basis are included. They generate future cash flow-ins used to

estimate their usage value. Recognised liabilities are not recorded. The carrying amounts for each CGU mainly include operational net fixed assets and goodwill.

The recoverable amount is estimated as the higher between the usage value and the fair value minus the sale costs. The Company estimates the fair value by using two methods: the market value minus the sale costs, or by discounting the cash flow-ins under the Business Plan approved by the Board of Directors, which the Company's Management adapted to the Group's economic reality when significant deviation exists or will exist.

When the fair value minus the sale costs of CGUs or CGU groups is higher than the carrying amounts, the Group does not need to estimate the usage value.

To estimate the market value minus the estimated cost of sale, the Group uses historical data for the purchase and sale prices in transactions involving new and used machinery, which is adjusted according to the years, foreseen useful life, and other technical features to obtain the market cost for each one.

A sensitivity analysis was conducted considering a variation for market prices of up to 1%, since, based on the historical data of the Company's machine park, this is the average variation experienced in the value of the replacement costs of existing machinery for new in the last years.

1% downward variation of the machinery fair value would result in a decrease of the recoverable value. Still, such recoverable value would not be lower than the net value accounted for the analysed assets.

To estimate the fair value minus the sale costs by discounting the cash flow-ins from the Business Plan approved by the Board of Directors, the Business Plan 2022-2026 was used (Note 2.25), by adapting the flow-ins in 2023 tpthos obtained in tje Group's budget approved for that year. The most sensitive aspects included in the projections used are the EBITDA figure, the discount rate, and the "g" perpetual growth rate.

In 2022, the recoverable value of operational net assets and the goodwill corresponding to the segment Spain was estimated as the fair value minus the costs of sale of the machinery. The recoverable value for the segments Portugal and Morocco has been estimated by discounting the cash flow-ins as described above. To estimate the recoverable value of the segment Latam the recoverable amount of its CGUs has been added. The relevant amount for each CGU has been obtained by discounting the cash flows (Peru, Mexico, Panama and Dominican Republic CGU) and by the method of the fair value minus de sales cost of the machinery (Chile and Colombia CGUs).

In 2021, the recoverable value of operational net assets and the goodwill corresponding to the segment Spain was estimated as the fair value minus the costs of sale of the machinery. The recoverable value for the segments Portugal and Morocco was estimated by discounting the cash flow-ins. To estimate the recoverable value of the segment Latam the recoverable amount of its CGUs was added. The relevant amount for each CGU was obtained by discounting the cash flows (Chile and Dominican Republic CGU) and by the method of the fair value minus de sales cost of the machinery (Peru, Colombia, Mezxico and Panama CGUs).

Thousand euros

Below are the key assumptions used in the accounting period 2022 in those cases where the approach of discounting the cash flows obtained from the business plan approved by the Board of Directors was applied:

	Portugal	LATAM	MOROCCO
EBITDA (average % over sales for the period of 5 years, without considering the terminal value)	39%	28% - 41%	37%
Discount rate after taxes	10%	10.90% - 15.90%	10.5%
"g" perpetual growth rate	2%	2.2% - 5.7%	2%

In the accounting year 2021, the assumptions used were the following:

	Portugal	LATAM	MOROCCO
EBITDA (average % over sales for the period of 5 years, without considering the terminal value)	38%	36% - 41%	37%
Discount rate after taxes	9%	10.60% - 14.30%	10%
"g" perpetual growth rate	1%	3% - 4%	2%

The EBITDA is an approximate estimation of the operating cash flow. Therefore, it is the magnitude that determines the Group's capacity to invest in the following accounting period and, thus, determines the future projections. The Management has estimated the sales figure and the invoiced EBITDA based on the best evolution estimates for the sector in the following accounting periods. These estimates are based on the Business Plan 2022-2026 approved by the Board of Directors on 22nd February 2022, adapting the 2023 flow-ins to those obtained from the Group's budget approved for such year.

Regarding the discount rate, it considers that the financing functions are performed centrally, with the parent Company managing the Group cash and other factors related to the situation of each country where the Group operates, which gives rise to different risk rates.

The discount rate after taxes has been estimated consistently, based on past experience and external information sources. The Company has estimated the "g" rate growth as perpetual for the projections performed in the year 2022, considering some economic indexes such as the inflation or the GDP deflator.

The Group's Management performs a sensitivity analysis related to critical assumptions to ensure which reasonable possible changes for estimating those assumptions will not impact the recovery of the group of CGUs' carrying amounts to which the international goodwill is assigned:

-A 3% reduction in the EBITDA figures considered in all the accounting years analysed would decrease the recoverable value. Still, such recoverable value would not be lower than the net value accounted for the analysed assets.

- An increase of 100 basic points of the weighted average cost of capital (WACC) will decrease the recoverable value. Still, such recoverable value would not be lower than the net value accounted for the analysed assets.

Thousand euros

- A reduction of 100 basic points of the perpetual growth rate will decrease the recoverable value. Still, such fair value would not be lower than the net value accounted for the analysed assets.

Below, the amount for which the value assigned to each fundamental assumption has to be adjusted is shown, so that, in an independent way, after incorporating to the recoverable value all effects resulting from this change, the recoverable value equals the carrying amounts for the segment in the estimation of impairment for the accounting period 2022:

	Portugal	LATAM	MOROCCO
EBITDA (average % over sales for the period of 5 years, without considering the terminal value)	-26%	Between -26% and -41%	-3%
Discount rate after taxes	6%	Between 6% and 30%	0.44%
“g” perpetual growth rate	-11%	Between -12% and -50%	-0.40%

Below, the amount for which the value assigned to each fundamental assumption has to be adjusted is shown, so that, in an independent way, after incorporating to the recoverable value all effects resulting from this change, the recoverable value equals the carrying amounts for the segment in the estimation of impairment for the accounting period 2021:

	Portugal	LATAM	MOROCCO
EBITDA (average % over sales for the period of 5 years, without considering the terminal value)	-30%	Between -15% and -29%	-6%
Discount rate after taxes	7%	Between 2.4% and 11.5%	1%
“g” perpetual growth rate	-12%	Between -4.5% and -28%	-1%

9 Financial instruments by category

The detail of financial assets and liabilities by category as of 31st December 2022 is as follows:

Thousand euros

ASSETS ON BALANCE SHEET (in thousand euros)	Loans and receivables	Total
Trade and other receivable (Note 10)	58,654	58,654
Other financial assets (Note 11)	4,624	4,624
Other current and non-current assets	1,985	1,985
	65,263	**65,263**

LIABILITIES ON BALANCE SHEET (in thousand euros)	Financial liabilities at depreciated cost	Total
Loans and other financial debts (Note 17)	148,565	148,565
Issuance of bonds and other marketable securities (Note 17)	52,043	52,043
Lease liabilities (Note 16)	83,026	83,026
Client contract liabilities (Note 18)	16,057	16,057
Trade and other payables (Note 15)	50,299	50,299
	349,990	**349,990**

The detail of financial assets and liabilities by category as of 31st December 2021 is as follows:

ASSETS ON BALANCE SHEET (in thousand euros)	Loans and receivables	Total
Trade and other receivable (Note 10)	50,506	50,506
Other financial assets (Note 11)	4,532	4,532
Other current and non-current assets	2,137	2,137
	57,175	**57,175**

LIABILITIES ON BALANCE SHEET (in thousand euros)	Financial liabilities at depreciated cost	Total
Loans and other financial debts (Note 17)	87,124	87,124
Issuance of bonds and other marketable securities (Note 17)	51,277	51,277
Lease liabilities (Note 16)	63,408	63,408
Client contract liabilities (Note 18)	8,419	8,419
Trade and other payables (Note 15)	41,458	41,458
	251,686	**251,686**

The fair value of assets and liabilities does not significantly differ from its carrying value.

10 Trade and other receivables

Their detail is as follows:

Thousand euros

	Thousand euros	
	2022	2021
Clients and commercial drafts receivable	64,734	57,838
Public administrations	1,483	2,523
Other debtors	2,663	265
Clients, Group companies and associates	1,360	1,244
Impairment adjustments	(11,586)	(11,364)
	58,654	**50,506**

Accumulated impairment losses for the accounting period are as follows:

	Thousand euros	
	2022	2021
Balance sheet as of January 1st	**(11,364)**	**(11,905)**
Endowment for the accounting period	(910)	(500)
Applications	549	917
Recoveries from provisioned balances	136	110
Other movements	3	14
Balance sheet as of December 31st	**(11,586)**	**(11,364)**

The period allocations and recoveries from provisioned balances are recorded in the consolidated income statement under the entry “Other expenses” (Note 24).

The entry Clients and commercial drafts receivable includes pending maturity, discounted drafts in financial entities amounting to 5,980 thousand euros as of December 31, 2022 (1,990 thousand euros in 2021) (Note 17).

As of December 31, the Group has contracted non-recourse factoring lines amounting to 15,200 thousand euros (2,203 as of December 31, 2021), with a drawn amount of 8,545 thousand euros (1,085 thousand euros as of December 31, 2021).

The GAM Group recognises as financial assets in default, all those financial assets whose maturity term is over and the debtor’s consideration has not been received. In the specific case of “Trade and other receivables,” as of December 31, the defaulted amount over which there was no impaired asset recognised, added to the estimates based on the expected losses (Note 3.2), amounted to approximately 11,065 thousand euros (7,507 thousand euros as of December 31, 2021). Nevertheless, as of December 31, 2022, around 66% of such balances (66% as of December 31, 2021) are covered by insurance contracts with first-level entities to guarantee their recoverability.

Moreover, based on the Group’s experience and the clients’ casuistry, the Group does not consider as defaulted balance the above amount of 11,065 thousand euros (7,507 thousand euros in the accounting year 2021), and which include all the invoices with maturity within 60 days as from the maturity date. The amount is 6,981 thousand euros as of December 31 (5,747 thousand euros in the accounting year 2021).

The age analysis of the defaulted financial assets amounting to 4,084 thousand euros (1,760 thousand euros in the accounting year 2021) whose maturity is over 60 days and which are not impaired as of December 31, 2022 and 2021, is as follows:

Thousand euros

	Thousand euros	
	2022	2021
Between 60 and 120 days	1,834	514
Between 120 and 180 days	2,111	977
More than 180 days	139	269
	4,084	**1,760**

Of the balance whose maturity is over 180 days, there are no payment documents or balances covered by credit insurances as of December 31, 2022 and 2021. Therefore, no impairment has been registered. For the remaining debt, the Group expects its collection, so there is no impairment of assets registered.

The maximum exposure to credit risk is the carrying amounts under Trade and other receivables regarding the date of drafting this information.

The Group estimates the expected loss of commercial balances based on the non-payment experience in each of the debt allotments and on the clients' credit risk, which was reviewed considering the possible effects of the COVID-19 pandemic economic context, and the Ukrainian conflict started on February 2022.

Based on the assessment, the expected loss has not significantly increased.

As of December 31, 2022 and 2021, the carrying amounts for the entry "Trade and other receivables", recorded in currencies other than Euro and translated for these consolidated annual accounts to the presentation currency (Euro) (expressed in thousand euros), are as follows:

	Thousand euros	
	2022	2021
Mexican peso	3,040	2,610
Peruvian nuevo sol	915	867
US dollar	63	1,244
Colombian peso	76	328
Moroccan dirham	3,747	3,633
Chilean peso	512	1,138
Dominican peso	935	490
	9,288	**10,310**

The age of the commercial debtor balances, based on their maturity, is described under Note 3.2.

11 Other long-term financial assets

Thousand euros

COST	Loans to Group companies	Guarantees and deposits	Others	Total
Balance sheet as of January 1st 2021	**2,448**	**1,242**	**662**	**4,352**
Increases	-	9	212	221
Short-term reclassification	-	-	-	-
Decreases	-	-	(41)	(41)
Balance as of December 31, 2021	**2,448**	**1,251**	**833**	**4,532**
Increases	-	-	680	680
Short-term reclassification	-	-	-	-
Decreases	**-**	**(588)**	-	(588)
Balance as of December 31, 2022	**2,448**	**663**	**1,513**	**4,624**

The entry "Deposits and bonds" mainly relates to the facilities where the Group operates. These are on lease, and deposits are pledged for guarantees offered by the Group.

The amount registered under the entry "Credits to Group's companies" corresponds to the amount pending payment of the companies accounted for by the equity method with other Group's companies, reclassified as long-term according to the specifications under Note 14.

All assets' fair value is comparable to their carrying amounts as of December 31, 2022 and 2021.

The maximum exposure to credit risk is the carrying amounts under financial assets as of the date of drafting this information.

12 Inventories

As of December 31, 2022 and 2021, the entry Inventories is as follows:

	Thousand euros	
	2022	**2021**
Spare parts and fuels	10,666	10,776
Machinery for sale	26,669	12,819
Advances to suppliers	676	8
Impairment	(5,464)	(5,221)
	32,547	**18,382**

The inventories consumption recognised as expenditure and included under the entry "Spare parts" (Note 23) amounts to 13,825 thousand euros for the accounting year 2022 (9,836 thousand euros in the accounting year 2021).

In the accounting year, the Company reclassified used machinery for sales as inventories for an amount of 3,277 thousand euros (3,622 thousand euros in the accounting period 2021) (Note 7).

There are no limitations for the availability due to factors as guarantees, pledges, or deposits.

Thousand euros

13 Cash and cash equivalents

The full treasury balance corresponds to bank accounts, cash on hand and short-term deposits initially contracted for a period under 3 months.

Such bank accounts are not remunerated during the accounting periods 2022 and 2021.

As of 31 December 2022 and 2021, the Company has no restrictions as to cash and cash equivalent availability.

14 Equity

(a) Share capital, share premium and treasury shares

	Share capital	Share premium	Total
AS OF JANUARY 1, 2021	**94,608**	**58,476**	**153,084**
Capital increase	-	-	-
Derecognition	-	-	-
BALANCE SHEET AS OF DECEMBER 31, 2021	**94,608**	**58,476**	**153,084**
Capital increase	-	-	-
Derecognition	-	-	-
BALANCE SHEET AS OF DECEMBER 31, 2022	**94,608**	**58,476**	**153,084**

As of December 31, 2022 and 2021, the Company's social capital amounted to 94,608 thousand euros, composed of 94,608,106 shares with a nominal value of 1 Euro each, fully subscribed and paid up.

Shareholding percentage

According to information received by the Company in compliance with the regulations concerning shareholder percentages, the significant shareholders as of December 31, 2022 and 2021 are the following:

	Shareholding percentage		
YEAR 2022	**% direct**	**% indirect**	**Total**
Banco Santander, S.A.	4.48%	-	4.48%
Indumenta Pueri, S.L.[1]	-	10.03%	10.03%
Pedro Luis Fernández Pérez[2]	0.20%	5.84%	6.04%
Francisco J. Riberas Mera[3]	-	43.24%	43.24%
Francisco J. Riberas López[4]	-	5.00%	5.00%
Mónica Riberas López[5]	-	5.00%	5.00%
Patricia Riberas López[5]	-	5.00%	5.00%

[1] *Indumenta Pueri, S.L. participates through Willmington Capital, S.L. and Global Portfolio Investments, S.L.*
[2] *Pedro Luis Fernández Pérez participates through the company Uno de Febrero, S.L.*

Thousand euros

[3] Francisco J. Riberas Mera participates through the company Orilla Asset Management, S.L.
[4] Francisco J. Riberas López participates through the company Inversiones en Tecnología y Desarrollo, S.L.
[5] Mónica J. Riberas López participates through the company Artestha Gestión de Inversiones, S.L.
[6] Patricia J. Riberas López participates through the company Ryoku Inversiones e Iniciativas, S.L.

	Shareholding percentage		
YEAR 2021	**% direct**	**% indirect**	**Total**
Banco Santander, S.A.	4.48%	-	4.48%
Indumenta Pueri, S.L.[1]	-	10.03%	10.03%
Pedro Luis Fernández Pérez[2]	-	5.84%	5.84%
Francisco J. Riberas Mera[3]	-	43.24%	43.24%
Francisco J. Riberas López[4]	-	5.00%	5.00%
Mónica Riberas López[5]	-	5.00%	5.00%
Patricia Riberas López[5]	-	5.00%	5.00%

[1] Indumenta Pueri, S.L. participates through Willmington Capital, S.L. and Global Portfolio Investments, S.L.
[2] Pedro Luis Fernández Pérez participates through the company Uno de Febrero, S.L.
[3] Francisco J. Riberas Mera participates through the company Orilla Asset Management, S.L.
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[6] Patricia J. Riberas López participates through the company Ryoku Inversiones e Iniciativas, S.L.

b) Share premium

This reserve is not freely distributable for accumulated losses.

As a result of the arrangements entered with the financial entities which signed the financial restructuring agreement, GAM will not be able to share dividends during the term of the Financing Agreement signed on 31st March 2015 and novated on 17th December 2020 and on 29th November 2022 (Note 17), unless the following conditions are met:

- no amounts are due under Allotment B, i. e. the amount under Allotment B is fully cancelled;
- no early maturity is materialised or will be materialised as a result of the share of dividends;
- that the net financial debt/EBITDA ratio, in conformity with the last Compliance Certificate delivered, is equal or under 3 times when the share of dividends is agreed and after the completion of such share;
- when the share of dividends is completed, there is an obligation of keeping cash equivalent to the minimum cash, amounting to 15,000 thousand euros.

Additionally, the Base Information Document for the admission of securities in the alternative bond market associated to the issue of the bond, and the finance agreement entered in 2022 with the European Investment Bank, subjects the share of dividends to compliance with certain financial ratios throughout the term of the contract; namely,

- that the net financial debt/EBITDA ratio is equal or under the levels established according to Note 17.

c) Treasury shares

As of May 24, 2022, the parent Company's General Meeting of Shareholders approved the acquisition of a maximum number of treasury shares provided that they are summed up to those the parent Company or its associates own the total does not exceed the 10% of the parent Company's social capital; the minimum price which is not under their nominal value and a maximum price not higher then the 120% of their market value at the date of purchase; the authorisation was granted for a 18-month term since the agreement was reached. As of December 31, 2022, the GAM Group has an mount of 49 thousand euros in treasury shares in its balance sheet by reducing the equity (as of December 31, 2021, the Company did not have treasury stock in the GAM Group consolidated balance sheet).

d) Stock options plan. Transactions with payments based on equity instruments

Extraordinary Variable Compensation Plan 2018

On 27th July 2018, the parent Company's Shareholders' Extraordinary Meeting approved an Extraordinary Variable Compensation Plan for the Group's Directors referenced to the value of the GAM stocks transferred by some of their holders. The detail of the Plan is under Note 2.18 c).

There are no amounts accrued in 2022, and the accrued amount is 42 thousand euros as of December 31, 2021, (see Note 25).

Extraordinary Variable Compensation Plan 2015

On 16th December 2015, the parent Company Shareholders' Extraordinary Meeting approved an Extraordinary Variable Compensation Plan for Group's Directors referenced to the value of the GAM's stocks at various times until March 2022. The detail of the Plan is under Note 2.18 c).

At the end of the accounting period 2022, in compliance with the IFRS 2, the Group has accounted for equity amounting to 4,311 thousand euros (4,311 thousand euros as of December 31, 2021), which includes the cumulative account from the maintenance of both plans as of December 31, 2022. The consideration of such credit to equity has been recorded under the entry Personnel expenses (Note 25).

e) Retained Earnings

In the table below there is a breakdown of accumulated reserves and losses:

Thousand euros

	Thousand euros			
	Legal reserve	Other reserves	Year-end result	Total
AS OF JANUARY 1, 2021	**3,521**	**(77,942)**	**1,142**	**(73,279)**
Distribution of income 2020	-	1,142	(1,142)	-
Other movements	-	(3)	-	(3)
Balance year 2021	-	-	2,631	2,631
BALANCE SHEET AS OF DECEMBER 31, 2021	**3,521**	**(76,803)**	**2,631**	**(70,651)**
Distribution of income 2021	486	2,145	(2,631)	-
Other movements	5,569	(5,318)	-	251
Balance year 2022	-	-	6,665	6,665
BALANCE SHEET AS OF DECEMBER 31, 2022	**9,576**	**(79,976)**	**6,665**	**(63,735)**

Legal reserve

Under this heading there is the Legal reserve of the parent Company. As of December 31, 2022, the parent Company legal reserve amounts to 9,576 thousand euros (3,521 as of December 31, 2021). It has been allocated in compliance with Article 274 of the Consolidated Text of the Law on Corporations. This establishes that an amount equal to 10% of the financial year's profit shall be allocated until it reaches at least 20% of the share capital.

The legal reserve is not distributable. If it is used to offset losses, if the additional reserves available for such purpose are not sufficient, it must be replenished with future profits.

Other reserves

The entry "Other reserves" records non-applied losses from previous accounting years, the reserves related to the payment plan based on shares (Note 14.d), the results of own share operations, the exchange equity component for issued convertible bonds and the exchange differences.

Distribution/Application of the parent Company results

The distribution of the parent Company profits for the accounting year to consider in the Shareholder's General Meeting and the income application of the accounting year is as follows:

Thousand euros

	Thousand euros	
	2022	2021
DISTRIBUTION BASE		
Negative results of previous accounting periods		-
Year-end income/(losses)	10,904	4,863
		-
Legal reserve	9814.0	486
Negative results of previous accounting periods	1,090	4,377
	10,904	**4,863**

f) Reserve of exchange differences in translation

As explained under Note 3.1(d), some Group companies have long-term loans or recoverables in euros with other Group companies operating abroad.

Part of these loans has been registered as a Company net investment in such business abroad.

Based on this, the companies General de Alquiler de Maquinaria, S.A. and Grupo Internacional de Inversiones en Maquinaria, S.A.U. have entered long-term loans with other subsidiary companies amounting to 7,800 thousand euros and 16,248 thousand euros, respectively. Foreign exchange rates from monetary items part of the net investment in foreign operations are recognised in profit or loss in the reporting entity's financial statements separate from the foreign process (IAS 21).

The initial recognition of those exchange differences, amounting to 235 thousand euros in 2022 (negative accumulated in the amount of 946 thousand euros as of December 31, 2021), is under Other consolidated comprehensive income. Then, they will be reclassified from equity to profit or loss upon the sale or other disposal of the foreign operation.

g) Non-controlling interest

Non controlling interest in 2022 and 2021, and the results allocated to external partners, are as follow:

	Thousand euros
AS OF JANUARY 1, 2021	**263**
Variations in the consolidation perimeter	91
Result attributable to external shareholders	66
BALANCE AS OF DECEMBER 31, 2021	**420**
Variations in the consolidation perimeter	3,412
Result attributable to external shareholders	207
BALANCE AS OF DECEMBER 31, 2022	**4,039**

Variations in non-controlling interest for the year are mainly the capital increases in 2022, subscribed by third parties, in the partly-owned companies Inquieto Moving Attitude, S.L.U and GAM Circular Process, S.L.U, which are translated into the 20% and 29.98% loss of the shareholding percentage, respectively.

Thousand euros

15 Trade and other payables

The breakdown as of December 31, 2022 and 2021, is as follows:

	Thousand euros	
	2022	2021
Trade creditors	31,912	31,417
Other receivables	18,387	10,041
	50,299	**41,458**

The fair value of the balances included under the entry "Trade and other payables" is the same as the carrying amounts.

a) Information on payment deferments to suppliers. Third Additional Provision "Duty to information" of Law 15/2010 of 5th July

Below there is information detailed regarding the third Additional Provision of Law 15/2010, of July 5. It has been prepared in compliance with the ICAC Directive of January 29, 2016, on the information to be included in the report on the annual accounts concerning the average period of payment to suppliers in commercial transactions within Spain.

The detail of the information requested is as follows:

	2022	2021
Average period of payment to suppliers (days)	**75**	**65**
Paid transaction rate (days)	79	65
Transactions pending payment rate (days)	58	66
Total payments made (thousands of euros)	130,657	99,498
Total pending payments (thousands of euros)	28,184	22,785

Information on invoices paid within a time lower than the maximum set by the late payment regulations is as follows:

	2022
Monetary value paid in euros (thousand euros)	89,116
Percentage on the monetary value for payments to providers	68%
Number of invoices paid	54,675
Percentage over the total number of paid invoices to providers	68%

Thousand euros

For the sole purposes of giving the information set out in this Directive, suppliers are the commercial creditors for debts with suppliers of goods or services, included in the entries "Suppliers", "Suppliers, Group companies and associates" and "Sundry creditors" under current liabilities of the balance sheet.

16 Right-of-use assets and lease liabilities

a) Right-of-use assets

Additional information and entries for right-of-use assets in the accounting period of 2022 are as follow:

	Thousand euros			
COST	Facilities and flats	Vehicles	Machinery	TOTAL
Balance sheet as of January 1, 2021	**37,695**	**5,126**	**45,904**	**88,725**
Recognitions	3,109	1,517	15,469	20,095
Derecognition	(974)	(616)	-	(1,590)
Transfers	-	-	7,320	7,320
Translation differences	(106)	(25)	772	641
Balance sheet as of December 31, 2021	**39,724**	**6,002**	**69,465**	**115,191**
Recognitions	7,916	984	14,126	23,026
Business combinations	211		4,042	4,253
Derecognition	(3,804)	(258)		(4,062)
Transfers	-	-	2,519	2,519
Translation differences	360	78		438
Balance sheet as of December 31, 2022	**44,407**	**6,806**	**90,152**	**141,365**

Thousand euros

	Thousand euros			
ACCRUED AMORTISATION	**Facilities and flats**	**Vehicles**	**Machinery**	**TOTAL**
Balance sheet as of January 1, 2021	**(21,445)**	**(2,327)**	**(6,544)**	**(30,316)**
Recognitions	(4,147)	(1,655)	(6,254)	(12,056)
Impairment	(97)	-	-	(97)
Derecognition	670	432	-	1,102
Transfers	-	-	1,087	1,087
Translation differences	90	16	(772)	(666)
Balance sheet as of December 31, 2021	**(24,929)**	**(3,534)**	**(12,483)**	**(40,946)**
Recognitions	(4,760)	(1,479)	(8,063)	(14,302)
Derecognition	2,252	197	-	2,449
Transfers	-	-	3,391	3,391
Translation differences	(244)	(32)		(276)
Balance sheet as of December 31, 2022	**(27,681)**	**(4,848)**	**(17,155)**	**(49,684)**
Net value accounted for as 31 December 2021	**14,795**	**2,468**	**56,982**	**74,245**
Net value accounted for as 31 December 2022	**16,726**	**1,958**	**72,997**	**91,681**

Transfers correspond with the description under Note 7.

The total right-of-use assets under the entry "Machinery" are assets funded by financial entities through leasing contracts. In these cases, the lease term and interest rate considered are those under contract. The Company estimates that, at the termination thereof, the purchase option will be executed. After the execution, the right-of-use assets are transferred under "Fixed assets".

In the case of facilities, flats and vehicles, the main assumptions used by the Group have been 3.15 to 3.5% average incremental cost and the estimate of the lease term, based on the non-cancellable period and the terms covered by renewal options, reasonably exercised to the Group's discretion.

Regarding the vehicles, the duration was that of the contract. At its termination, the Company never renews or extends but signs a new contract, either for a new vehicle or for the same vehicle but with substantially different conditions (usually, a lower price).

The Group uses for its operations buildings and facilities leased from third parties. Regarding facilities and flats, for contracts effective on 1st January 2019, the Company has estimated a minimum stay of 5 and 3 years more, respectively, based on the historical stay for each leased facility and flat. If the contract establishes a higher term, the Company has estimated it will comply with the established duration. Lease contracts for facilities and flats include renewal and cancellation options. Renewal options are granted to take advantage of the location where the business works appropriately. In general, cancellation options mean that the Group must pay the minimum fees pending for the residual term. For the new recognition, the Company estimates a minimum stay of 5 and 3 years based on the historical stays, except when the contract's duration is higher, the Company has estimated the lease term will be that of the contract. There is not

reasonable certainty on periods subject to higher renewal options. This largely depends on the evaluation of the lease prices, the added improvements and the location of facilities and flats.

As of December 31, 2022, the Group has assessed if there were significant events to re-evaluate right-of-use assets. There are re-assessments registered and explained in section d).

Variable payments under lease contracts take the CPI as reference.

The Group also has short-term lease contracts and lease contracts for assets with a unit value under 5 thousand euros, for which the lease expense recorded under the entry "Other operating expenses" amounts to 1,481 thousand euros (723 thousand euros in 2021).

The Group has not received any guarantees of residual value in the lease contracts or remodelling and decommissioning obligation for right-of-use assets.

The Group assesses the possible impairment of recognised right-of-use assets by applying IAS 36. Right-of-use assets do not generate cash in-flows independent from those caused by other assets. Therefore, the Group identifies the CGU to which those right-of-use assets belong to include them under it, estimate their impairment and compare it to the unit recoverable value as explained under Note 7. In the accounting period 2022 there was no evidence of impairment for any CGU.

b) Lease liabilities

Relevant information and amounts for lease contracts per class of asset are as follow:

	Thousand euros			
	31.12.2022		31.12.2021	
	Current	Non-current	Current	Non-current
Lease liabilities				
Facilities and flats	4,597	13,957	4,012	10,684
Vehicles	549	760	1,304	1,224
Machinery	**18,243**	**44,919**	**13,180**	**33,004**
Total liabilities for leases	**23,389**	**59,636**	**18,496**	**44,912**

Debts from current lease contracts are under this entry in compliance with IFRS 16, except for intangible assets, short-term leases (lease term under 12 months) and leases of assets with low unit value.

As of December 31, 2022, it is expected that the cancellation of lease liabilities and their financial burden will follow the schedule below:

31/12/2022 (Thousand euros)	2023	2024	2025	2026	2027 and forward	Total
Current net value	23,389	21,285	15,833	12,018	10,500	**83,025**
Financial burden	2,821	1,893	1,180	628	667	**7,189**

Thousand euros

As of December 31, 2021, it was expected that the cancellation of lease liabilities and their financial burden will follow the schedule below:

31/12/2021 (Thousand euros)	2022	2023	2024	2025	2026 and forward	Total
Current net value	18,496	16,579	12,002	8,565	7,766	**63,408**
Financial burden	2,086	1,349	816	435	382	**5,068**

The fair value of financial liabilities is comparable to its carrying value.
The leases registered under financial debt for accounting purposes do not comply with the tax requirements under the unique financial leases system. As there are no financial entities involved, they are not financial leases according to the law.

c) Amounts recognised in the consolidated income statement

The amounts recognised in the consolidated income statement for lease contracts are as follow:

	Thousand euros	
	2022	**2021**
Allocation for amortisation of fixed assets		
Amortisation of rights of use	**14,302**	**12,056**
Financial expense		
Financial expense for lease liabilities (Note 26)	**2,699**	**2,178**
Other operating expenses		
Expenditure for low-value contracts (Note 24)	**1,481**	**723**

d) Lease liabilities amounts

	2022	2021
Balance sheet as of January 1st	**63,408**	**51,029**
Translation differences	366	(25)
Business combinations	4,770	-
Transfers	2,519	7,320
New lease contracts	32,956	20,897
Financial update	2,699	2,178
Principal payments made	(22,687)	(15,625)
Interest payments made	(2,699)	(2,178)
Re-estimate/change of lease liabilities	3,306	-
Derecognition	(1,613)	(188)
Balance sheet as of December 31st	**83,025**	**63,408**

17 Loans and other financial debts

Detailed information for external resources is as follows:

	Thousand euros	
NON-CURRENT	**2022**	**2021**
Loans with credit institutions	66,537	34,552
Issuance of bonds and other marketable securities	29,691	30,000
Other subordinated loans with related parts	10,000	10,000
Other debts with credit institutions	22,514	402
Other non-current debts	16,248	14,732
	144,990	**89,686**
CURRENT	**2022**	**2021**
Loans with credit institutions	13,654	11,087
Issuance of bonds and other marketable securities	22,352	21,277
Other debts with credit institutions	9,224	7,945
Other current debts	10,388	8,406
	55,618	**48,715**
	200,608	**138,401**

Issuance of bonds and other marketable securities

As of January 28, 2021, GAM recorded a program of promissory notes called "Promissory Notes Program GAM 2021", registered under the alternative bond market ("Mercado Alternativo de Renta Fija" or "MARF" in Spanish), with a maximum outstanding balance of 50 million euros.

As of January 26, 2022, GAM has renewed the prior program promissory notes called "Promissory Notes Program GAM 2022", registered under the alternative bond market ("Mercado Alternativo de Renta Fija" or "MARF" in Spanish), with a maximum outstanding balance of 50 million euros. As of December 31, 2022, the Company has issued promissory notes for a total amount of 18.9 million euros, with a maturity date between the months of January and April 2023. The formalisation expenses for debts related to the issuance have amounted to 103 thousand euros.

On July 6, 2021, the Group recorded under the alternative bond market ("Mercado Alternativo de Renta Fija" or "MARF" in Spanish) a first issuance of bonds conducted under the program "Bond Program GAM 2021" for a total nominal amount of 30,000 thousand euros, with an outstanding balance of 80 million euros and with a maturity date of July 5, 2026. The formalisation expenses for debts related to the issuance have amounted to 346 thousand euros. As of May 9, 2022, such program was renewed called "Bond Program GAM 2022". These bonds accrue interest at a rate of 4.5%.

The Base Information Document for the admission of securities in the alternative bond market associated to the issue of the bond, provides for compliance with certain financial ratios throughout the term of the contract:

Thousand euros

- Net financial debt/EBITDA rate: The result of this rate estimate will not be higher than the following levels in each one of the periods established below:

Year	2022	2023	2024	2025	2026
Maximum level	3.75	3.50	3.50	3.50	3.50

As of December 31, 2022, the Group is compliant with the established ratios.

Loans with credit institutions

As of December 17, 2020, a novation agreement for the syndicated debt was entered for Allotment A signed in 2015, amounting to 75,412 thousand euros. It modified the amortisation debt scheme. Under this agreement, the payment of the debt will take place in different maturities within 5 years after the transaction arrangement (i.e., December 2025).

Such novation agreement establishes as follows:

- Allotment A: for an amount of 45,412 thousand euros, a semi-annual repayment schedule for 5 years, with an interest rate equal to six-month Euribor plus an applicable margin, which will vary subject to the Group's financial rating, between 2% and 3.25%.

- Allotment B: for an amount of 30,000 thousand euros, with a maturity of 3 years, renewable for two additional years, and which will accrue an interest rate equal to six-month Euribor plus a 3.5% margin in 2021, 3.75% in 2022, 4% in 2023, and 4,5% in 2024 and subsequently, in the event of renewal.

In July 2021, the Company has proceeded to the early cancellation of the 30,000 euros of Allotment B through the financing obtained from the bond issuance recorded under the alternative bond market. Thus, the Group has reviewed its estimations of payments by adjusting the amortised cost of the financial liabilities related to the syndicated loan to reflect the reviewed estimated contractual cash flows.

For both allotments, we structured the financing "sustainable funding based on KPIs" so that an up- to-0.05% upward or downward variation rate is set for the previous margins, subject to some sustainability items' compliance. The Group will certify them in each accounting period.

In 2022, the Company complied with the indicators established, so for the first six months of 2023, the interest rates applicable will be 2.2% for Allotment A.

As at November 29, 2022, a new novation of the syndicated loan took place, mainly with the incorporation of the acquired companies as loan guarantors in 2021 and 2022.

Likewise, the novation agreement establishes certain limitations to the dividend distribution (note 2.25) and set the compliance of specific financial rates for the duration of the contract:

- Net financial debt/EBITDA rate: The result of this rate estimate will not be higher than the following levels in each one of the periods established below:

Thousand euros

Year	2022	2023	2024	2025
Maximum level	3.50	3.00	3.00	3.00

- EBITDA/financial expenditure rate: The estimated result for this rate shall be equal or higher, in any case, to 5.00.

- As of December 31, 2022, the Group is compliant with the established ratios.

During the accounting period 2020, the Company estimated the debt novation based on the criteria defined under IFRS 9. As a result of that analysis, the consolidated balance sheet's debt has been recognised as a non-substantial modification, instead of a liability cancellation or a new liability recognition.

Fees and expenses related to the agreement novation have been recognised as the lowest debt value. As of December 31, 2022, they are under the entry "Loans with credit institutions", and their value amounts to 27,247 thousand euros (35,316 thousand euros in the accounting period 2021), of which 9,082 thousand euros are under current liabilities (8,560 thousand euros in the accounting period 2021). The loan is measured at amortised cost, and the fees will be allocated to the income and loss statement based on the effective interest rate method of the rolled-over debt.

As at November 30, 2022, GAM formalised a finance operation with the European Investment Bank (EIB), supported by the European Fund for Strategic Investments. The finance amount is 35 million euros and is for investments associated to multiple sustainability and innovation projects performed by the Group. Such debt has a two-year grace period, so it will be repaid in different maturities fot the 6 years after December 2025 (i.e., December 2030). The interest rate accrued for this finance is a fixed 4.44% adjustable in four years, and can be modified from that date.

The finance agreement entered with the European Investment Bank (EIB) established the compliance with some finance rates for the contract term:

- Net financial debt/EBITDA rate: The result of this rate estimate will not be higher than the following levels in each one of the periods established below:

Year	2022	2023	2024	2025	2026	2027	2028	2029	2030
Maximum level	3.5	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

- EBITDA/financial expenditure rate: The estimated result for this rate shall be equal or higher, in any case, to 5.00.

- Loan To Value - Coverage rate by security interests over the machinery: as at the December 31 for each year, the sum of the machinery accounting net value under interest is estimated. This must be a 110% of the collection pending amount as a minimum.

As of December 31, 2022, the Group is compliant with the established ratios.

Additionally, the covered loans with the Spanish Official Credit Institute are under this entry. These were granted to the Company between 17th April and 22nd November 2021, amounting to 14,336 thousand euros (7,903 thousand euros in 2021) with maturity due for 2029 and a monthly scheme. The interest rate for these loans varies between 1.3% and 4.3%.

The Group has analysed the possible grant aid component included in these loans and has concluded that the fair debt value does not defer significantly from the amortised cost.

The loans and other financial debts in force on December 31, 2022, pay a fixed rate, except for Allotment A under the debt novation 2020, agreed in the debt novation 202, and 8% for the ICO loand, which pay a variable rate.

Other subordinated loans with related parts

On January 20, 2020, the company Orilla Asset Management, S.L., (formerly Halekulani, S.L.), related to the Company's main shareholder, and currently ultimate parent Company of the Group after absorption by merger in 2021 of Sociedad Gestora de Activos y Maquinaria Industrial, S.L., granted to the Group parent Company a loan amounting to 20,000 thousand euros with maturity in March 2021, of which the Company used 10,000 million euros.

This agreement was amended on 17th December 2020, and a new maturity was established in December 2025. This earns an interest rate equivalent to a three-month Euribor plus a 4% margin, payable every 3 months.

Such loan is a subordinate debt for the syndicated debt novation contract entered into in 2020.

Other debts with credit institutions

The composition of the heading "Other debts with credit institutions" is as follows:

	Thousand euros	
CURRENT/NON-CURRENT	**2022**	**2021**
Debts for bills discounted (Note 10)	284	43
Debts with credit institutions under factoring (Note 4.2)	3,400	7,902
Other debts with credit institutions	5,130	-
Debts from credit policies	22,924	402
	31,738	**8,347**

The entry "Other debts with credit institutions" under liabilities in the consolidated balance sheet includes mainly credit lines amounting to 22,924 thousand euros (402 thousand euros in 2021) through credit policies from contracts entered with some financial entities.

The available limit for the credit policies contracted at the year-end amounts to 2,086 thousand euros (24,856 thousand euros in the accounting year 2021).

Thousand euros

As of 31st December 2022, the Group has Confirming facilities contracts with several financial entities so that the Group's providers can receive advance payments. The amount used under the confirming facilities is 6,866 thousand euros as of 31st December 2022. Of the said amount, 3,466 thousand euros involve a payment obligation on the part of the financial entity, which leads to derecognition under Trade and other payables and the recording thereof under "Loans and other financial debts", as established under Note 2.16. The confirming facilities contracted by the Group do not accrue financial costs to be paid to the financial entities granting the facilities.

The reference effective interest rate for the remaining debts with credit institutions pays between 3% and 11%.

Other current and non-current debts

The composition "Other current and non-current debts" is as follows:

	Thousand euros	
CURRENT/NON-CURRENT	**2022**	**2021**
Fixed assets suppliers	8,745	11,816
Debts under contracts with repurchase arrangements	15,656	8,454
Deferred payments for company acquisitions (Note 6)	1,877	2,664
Other debts	358	204
	26,636	**23,138**

The entry "Debts under contracts with repurchase arrangements" records the amount corresponding to the liabilities from certain agreements whereby the sale of an asset through a repurchase agreement takes place as a funding operation. The amounts corresponding to repurchase options and obligations are also under this entry.

It is expected that the cancellation of "Loans and other financial debts" for the accounting period 2022 will follow the schedule below:

Thousand euros

YEAR 2022	2023	2024	2025	2026	2027 and forward	Total
Loans with credit institutions	13,651	13,062	18,633	9,026	25,819	**80,191**
Issuance of bonds and other marketable securities	22,352	-	-	29,691	-	**52,043**
Debts under credit policies	410	-	-	22,514	-	**22,924**
Subordinate debt with related entities	-	-	10,000	-	-	**10,000**
Suppliers of fixed assets	6,327	2,110	308			**8,745**
Other debts with credit institutions	5,130	-	-	-	-	**5,130**
Other debts	358	-	-	-	-	**358**
Bill discounted debts	284	-	-	-	-	**284**
Debts with credit institutions under confirming	3,400	-	-	-	-	**3,400**
Deferred payments for company acquisitions (Note 6)	1,477	-	-	-	400	**1,877**
Debts under contracts with repurchase arrangements	2,229	3,053	2,405	4,431	3,538	**15,656**
Total	**55,618**	**18,225**	**31,346**	**65,662**	**29,757**	**200,608**

YEAR 2021	2022	2023	2024	2025	2026 and forward	Total
Loans with credit institutions	11,087	11,840	10,946	10,994	772	**45,639**
Issuance of bonds and other marketable securities	21,277	-	-	-	30,000	**51,277**
Debts under credit policies	-	-	-	-	402	**402**
Subordinate debt with related entities	-	-	-	10,000	-	**10,000**
Suppliers of fixed assets	5,598	4,973	1,245	-	-	**11,816**
Other debts	200	4	-	-	-	**204**
Bill discounted debts	43	-	-	-	-	**43**
Debts with credit institutions under confirming	7,902	-	-	-	-	**7,902**
Deferred payments for company acquisitions (Note 6)	1,614	1,050	-	-	-	**2,664**
Debts under contracts with repurchase arrangements	994	1,038	1,329	708	4,385	**8,454**
Total	**48,715**	**18,905**	**13,520**	**21,702**	**35,559**	**138,401**

Below, in compliance with IFRS 7, there is a breakdown of the estimated financial debt from maturities under the entry "Loans and other financial debts".

Thousand euros

2022 (thousand euros)	2023	2024	2025	2026	2027 and forward
Total financial burden	3,378	2,768	2,289	1,626	2,940

2021 (thousand euros)	2022	2023	2024	2025	2026 and forward
Total financial burden	3,794	2,996	2,385	1,946	465

Balance reconciliation for liabilities recorded as funding activities is as follows:

	Thousand euros		
	Long-term debts	Short-term debts	Total
Balance as of December 31, 2020	**90,824**	**17,307**	**108,131**
Financing	44,014	29,107	73,121
Business combinations	1,732	-	1,732
Short-term and long-term reclassifications	(46,884)	46,884	-
Cash flows	-	(44,583)	(44,583)
Balance as of December 31, 2021	**89,686**	**48,715**	**138,401**
Financing	54,318	24,030	78,348
Business combinations	5,344	5,011	10,355
Short-term and long-term reclassifications	(4,358)	4,358	-
Cash flows		(26,496)	(26,496)
Balance as of December 31, 2022	**144,990**	**55,618**	**200,608**

18 Client contract liabilities

This entry mainly records the cash received in advance from contracts entered with clients, amounting to 16,057 thousand euros in the accounting year 2022 (8,419 thousand euros in 2021).

The amounts for purchase options and obligations included in such contracts is under item "Debts under contracts with purchase arrangements" in entry "Loans and other financial debts" (Note 17).

	Thousand euros	
OTHER LIABILITIES	**2022**	**2021**
Advances under contracts with repurchase arrangements non-current	11,008	5,913
Advances under contracts with repurchase arrangements current	5,049	2,506
	16,057	**8,419**

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

Thousand euros

19 Investments in companies accounted for using the equity method

As of 31 December 2022, the Group owns 50% of shares in a joint business, GAM Arabia Ltd. It is incorporated using the equity method, and its accounting net value as of that date amounts to 1,098 thousand euros (1,368 thousand euros in 2021).

Based on, and pursuant to, the shareholders' agreements entered into with each of the company's partners, the operational and financial strategic decisions require the unanimous consent of the parts that share the control. They are considered joint businesses insofar partners are entitled to net assets.

20 Deferred taxes

The gross amount in the assets and liabilities statement for deferred tax is as follows:

AÑO 2022

ASSETS (in thousand euros)	**2021**	**Recognitions**	**Additions to perimeter**	**De-recognition**	**Transfers**	**2022**
Adjustments to taxable income						
- Tax effect for expected losses	112	6	-	(16)	-	102
- tax deductibility limit accounting depreciation	571		-	(212)	-	359
- Other adjustments to taxable income	4,225	2,306	-	-	-	6,531
	4,908	**2,312**	**-**	**(228)**	**-**	**6,992**
LIABILITIES	**2,021**	**Recognitions**	**Additions to perimeter**	**De-recognition**	**Transfers**	**2,022**
Adjustments to taxable income	1,528	82	678	(851)		1,437
	1,528	**82**	**678**	**(851)**	**-**	**1,437**

In the accounting period 2022, deferred tax liabilities in the amount of 1,166 thousand euros have been classified under entry Deferred tax assets according to IAS 12 (544 thousand euros in the accounting period 2021).

YEAR 2021

Thousand euros

ASSETS (in thousand euros)	2,020	Recognitions	Additions to perimeter	De-recognition	Transfers	2,021
Adjustments to taxable income						
- Tax effect for expected losses	195	2	-	(85)	-	112
- tax deductibility limit accounting depreciation	783	-	-	(212)	-	571
- Other adjustments to taxable income	3,498	826	-	(99)	-	4,225
	4,476	**828**	**-**	**(396)**	**-**	**4,908**

LIABILITIES	2,020	Recognitions	Additions to perimeter	De-recognition	Transfers	2,021
Adjustments to taxable income	896	144	1,064	(576)	-	1,528
	896	**144**	**1,064**	**(576)**	**-**	**1,528**

The breakdown for deferred tax assets and liabilities for each taxable Group or significant entity as of 31 December 2022 is as follows:

	Assets	Equity and liabilities
Spanish consolidated tax group	6,962	559
Spain	-	869
Portugal	2	-
Latam	27	7
Morocco	1	2
	6,992	**1,437**

As described in Note 4.1.b), the Group has analysed the recognition and recoverability for deferred tax assets as of 31 December 2022 and 2021, taking into account the Group's Business Plan and the available tax planning instruments.

Until the accounting period 2020, the Company had not recognized deferred tax assets with negative tax bases, subject to the continued losses which prevented to show the recoverability thereof.

In the accounting year 2022 the Company has capitalised 990 thousand euros as tax credits for negative tax bases and other (404 thousand euros in the accounting period 2021). In the previous periods the Group has been able to apply tax credit, and it estimates this trend highly probable in the following periods. As a result of the favourable tax bases generated by the Spanish Tax Group in last years and the Group's Business Plan's prospects of continuing with this tendency, the Company has estimated the recoverable amount based on the best estimates available at the date of drafting these consolidated annual accounts. The perspective is conservative. The expected recovery terms will be within 5 years, which coincides with the Business Plan approved by the Board of Directors as of the date when these annual accounts were approved.

In the accounting periods 2022 and 2021, de-recognition amounting to 212 thousand euros is mainly due to the depreciation tax deductibility limit's recovery, respectively.

Thousand euros

Additions to deferred tax liabilities are mainly related to business combinations amounting to 678 thousand euros (Note 6).

The classification of deferred tax assets and liabilities for short-term and long-term maturities for the accounting years 2022 and 2021 is as follows:

ASSETS (2022)	2,023	2024 and forward	Total
Adjustments to taxable income			
- tax effect for expected losses	-	102	102
- tax deductibility limit accounting depreciation	212	147	359
- other adjustments to taxable income	215	5,150	5,365
	427	**5,399**	**5,826**

EQUITY AND LIABILITIES (2022)	2,023	2024 and forward	Total
Adjustments to taxable income	-	271	271
	-	**271**	**271**

ASSETS (2021)	2,022	2023 and forward	Total
Adjustments to taxable income			
- tax effect for expected losses	-	112	112
- tax deductibility limit accounting depreciation	212	359	571
- other adjustments to taxable income	468	3,213	3,681
	680	**3,684**	**4,364**

EQUITY AND LIABILITIES (2021)	2,022	2023 and forward	Total
Adjustments to taxable income	-	984	984
	-	**984**	**984**

The Group has non-capitalised tax credits corresponding to deductions with maturity over 5 years amounting to 9,769 thousand euros (9,679 thousand euros in the accounting year 2021), of which 1,062 thousand euros (972 thousand euros in the accounting year 2021) have no temporary limits for their tax application, according to provisions under Law 27/2014 on Corporate Tax (Spanish territory).

On the other hand, the Group's tax bases pending compensation, regardless of their recognition in these annual accounts and the limitation period for their application, as of 31 December 2022 and 2021, are as follows:

Thousand euros

	2,022		2,021	
	Bases taxable negative	**Limit period of application**	**Bases taxable negative**	**Limit period of application**
Tax consolidation	60,402	No limit	60,899	No limit
Remaining Spanish companies not under the consolidated tax	17,331	2,048	17,286	2,048
Foreign companies	3,502	2021-2023	3,704	2021-2023
	81,235		**81,889**	

Since the accounting period 2005 the parent Company is authorized to file consolidated tax returns regarding the corporate tax. As of 31 December 2022, the tax consolidation perimeter included the following Group companies:

GAM España Servicios de Maquinaria, S.L.U., Grupo Internacional de Inversiones en Maquinaria, S.A.U., GAM Training Apoyo y Formación, S.L., General de Distribución y Manutención de Maquinaria Ibérica, S.L.U, Inquieto Moving Attitude, S.L., Recambios, Carretillas y Maquinaria, S.L., Sociedad de Intermediación de Maquinaria, S.L. and Alquitoro 3000, S.L.

One of the subsidiary companies' files under the general scheme, separately, within the Provincial Government of Bizkaia. The applicable legislation regarding the corporate tax payment for the accounting periods 2018 and 2017 is the Provincial Law 11/2013 5 December on the Corporate Tax. In the accounting period 2014, the tax credit for negative tax bases and deductions pending application was no longer applicable without a temporary limit to a 15-year term since their generation (if they were effective in 2014, 15 years since then). From the accounting year 2018, they can be applied with a 50% limit over each accounting period's positive tax base (being the applicable term of 30 years).

The accounting years open to inspection due to applicable taxes are different for each of the consolidated Group companies. However, they are generally for the four or five last periods.

The Directors do not estimate liabilities for the years open to inspection.

Thousand euros

21 Provisions

The changes for the accounting periods 2022 and 2021 are as follows:

	Thousand euros	
	Provisions short term	Provisions long term
Balance as of 31 December 2020	**159**	**743**
Allocations	-	-
Transfers	456	(456)
Business combinations	390	354
Low	(345)	-
Balance as of 31 December 2021	**660**	**641**
Allocations	-	
Transfers	305	(305)
Business combinations	170	905
Low	(660)	-
Balance as of 31 December 2022	**475**	**1,241**

As of 31 December 2022 and 2021, the Group has provisioned an amount of 60 thousand euros to cover possible contingencies related to third parties.

The Directors do not expect other contingent liabilities additional to those registered.

22 Sales

The detail of sales as of 31 December 2022 and 2021 is as follows:

	Thousand euros			
	31.12.2022		31.12.21	
	Spain	International	Spain	International
Rental of machinery	95,583	30,291	74,227	24,721
Income from services complementary	37,871	6,727	22,797	4,676
Revenues from freights	11,497	3,075	8,970	2,754
Revenues from repairs and spare parts	9,571	2,473	5,916	1,442
Revenues from training	3,580	89	2,115	59
Revenues from other items	13,223	1,090	5,796	421
Sale of machinery and others	35,993	16,538	30,962	10,736
Other income	185	51	115	28
Sales	**169,632**	**53,607**	**128,101**	**40,161**

As of 31 December 2022 and 2021, the detail of sales by segments and classification at the time when the revenues are recognized is as follows:

Thousand euros

	Thousand euros			
	31.12.2022			
	Spain	Portugal	Latam	Remaining
Revenues registered over time	133,454	13,148	20,642	3,229
Revenues registered in a given time	36,178	4,527	10,921	1,140
Sales	**169,632**	**17,675**	**31,563**	**4,369**

	Thousand euros			
	31.12.21			
	Spain	Portugal	Latam	Remaining
Revenues registered over time	97,024	10,380	17,328	1,691
Revenues registered in a given time	31,077	2,809	7,138	815
Sales	**128,101**	**13,189**	**24,466**	**2,506**

Since 2018 the Company is promoting purchase, sale and distribution operations. As of the current date, the Company is exclusive dealer of the brand Hyster Yale in Spain, Portugal and Morocco; additionally it distributes other brands such as Clark of JLG in several geographies. In all distribution agreements, the Group is the primary dealer.

23 Cost of sales

The entry "Cost of sales" for the accounting periods 2022 and 2021 is as follows:

	Thousand euros			
	2,022		2,021	
	National	International	National	International
Fuels	**8,559**	**771**	**4,050**	**531**
Spare parts	**11,274**	**2,551**	**7,659**	**2,177**
Other consumption	**29,322**	**12,630**	**26,627**	**7,663**
Purchase and sale machinery	4,276	1,575	4,547	1,859
Machinery for distribution	22,528	10,296	19,357	4,905
CNV of used machinery	2,518	759	2,723	899
Machinery re-rentals	**13,265**	**2,250**	**9,551**	**1,869**
	62,420	**18,202**	**47,887**	**12,240**

The entry "Machinery re-rentals" includes expenses from the lease of machinery to external third lessors which are not part of the Group to meet punctual specific needs.

Thousand euros

24 Other operating expenses

The entry "Other operating expenses" for the accounting periods 2022 and 2021 is as follows:

	Thousand euros	
	2,022	2,021
Rentals and levies (Note 16)	1,481	723
Transportation expenses	14,374	11,227
Repairs and maintenance	5,959	4,297
Service of independent professionals	4,307	3,605
Insurance premiums	3,504	2,923
Other expenses	11,864	7,671
Taxes	780	544
	42,269	**30,990**

The entry "Other expenses" includes advertising, bank services, supplies and other operational diverse expenditures.

The entry “Other expenses” also includes the accumulated impairment losses of commercial balances and the recovery from provisioned balances in the amount of 774 thousand euros (390 thousand euros in 2021), see Note 10.

25 Personnel expenses

The entry "Employee benefit expenses" for the accounting periods 2022 and 2021 is as follows:

	Thousand euros	
	2,022	2,021
Salaries and other personnel expenses	39,699	32,275
Social security contributions	13,032	10,796
	52,731	**43,071**

The entry "Salaries" includes severance compensations amounting to 500 thousand euros (465 thousand euros for 2021). Likewise, as of 31 December 2021 it included 42 thousand euros related to accrued expenses in the accounting year 2021 arising from the Stock option plan (No amounts accrued in the accounting period 2022) (Note 14).

The average number of employees by category is as follows:

Thousand euros

	2,022		2,021	
	Male	Female	Male	Female
Board of Directors	4	2	4	2
Management	6	2	7	3
Administration	82	88	55	74
Traffic/transportation	117	14	112	13
Workshop	649	39	577	21
Sales representatives	208	115	193	89
	1,066	**260**	**948**	**202**

The average workforce for the year 2022 includes 80% of men and 20% of women (82% and 18%, respectively, for 2021).

The GAM Group has 4 employees in 2022 (4 employees in 2021) with a disability higher than 33%, included in the following categories:

	2,022	2,021
Scientific and intellectual technicians	3	3
Sales representatives and sellers	1	1
	4	**4**

The number of employees by category at the end of the year is as follows:

	2,022	2,021
Board of Directors	6	6
Management	9	9
Administration	145	134
Traffic/transportation	122	133
Workshop	712	634
Sales representatives	344	282
	1,338	**1,198**

Thousand euros

26 Financial costs and income

The entry "Financial costs and income" for the accounting periods 2022 and 2021 is as follows:

	Thousand euros	
	2,022	**2,021**
Financial expenses:		
- Issue of obligations and debts (Note 14)	(1,706)	(913)
- Lease contracts (Note 16)	(2,699)	(2,178)
- Debts, commercial discounts and loans	(3,490)	(4,055)
- Other financial expenses	(1,439)	(617)
	(9,334)	**(7,763)**
Financial income:		
- Interest income and other financial income	143	244
	143	**244**
- Exchange differences:	**(413)**	**17**
Net financial income/(expenses)	**(9,604)**	**(7,502)**

There is no financial income registered for the accounting years 2022 and 2021.

27 Income tax

	Thousand euros	
	2,022	**2,021**
Current tax	(1,786)	(1,291)
Deferred tax (Note 20)	2,604	469
Income tax	**818**	**(822)**

The Group's revenue tax before taxes differs from the theoretical amount that would have been obtained using a weighted average tax rate applicable to the benefits of the consolidated companies as follows:

Thousand euros

	Thousand euros	
	2,022	**2,021**
Pre-tax profit	**7,049**	**3,519**
Taxes estimate based on national rates	(3,525)	(963)
Tax effects of:		
- Non-deductible expenses	(32)	(82)
- Adjustments of previous accounting years	(27)	178
- Other adjustments	1,854	(1,228)
- Use of tax losses not recognized previously	1,199	1,112
- Recognition of deferred tax assets	990	404
- Tax losses for which there is no recognition of deferred tax assets	-	(31)
- Reversal of deferred assets and liabilities	-	(212)
- Other quota adjustments	359	0
Tax expenses	**818**	**(822)**

According to tax rules for each country, adjustments to the accounting results for non-deductible expenses and other adjustments include the permanent differences for non-deductible accounting expenses.

Additionally, the following adjustments to the accounting results have a significant impact in 2022:

i) The recognition of tax credit for tax losses, deductions and non-deducted interests in previous years amounts to 990 thousand euros. This only correspond to the tax credit of the Spanish tax Group in the consolidated Group.

ii) The use of tax losses not recognized previously, amounting to 1,199 thousand euros, mainly correspond to the application of tax losses of some of the international subsidiaries.

iii) The item "Other adjustments" includes mainly the tax effect from certain consolidation adjustments.

28 Earnings/(loss) per share

a) Basic

The basic income per share is estimated by dividing the benefit/(loss) of the period attributable to the parent company's equity holders by the weighted average number of outstanding ordinary shares in the period, excluding own shares.

The entry Basic income/(losses) per share is as follows:

Thousand euros

	Thousand euros	
	2,022	2,021
Period income/(loss) attributable to equity holders of equity holders of the parent company	7,660	2,631
Weighted average of outstanding ordinary shares	94,608	94,608
Basic income/(loss) per share	**0.08**	**0.03**

The information on listed shares at the start date of the quotation is as follows:

	Thousand of shares
Listed shares as of 1 January 2021	**94,608**
Listed shares as of 31 December 2021	**94,608**
Listed shares as of 31 December 2022	**94,608**

b) Diluted

The diluted income per share is estimated by adjusting the benefit/(loss) of the period attributable to the parent company's equity holders and the weighted average number of outstanding ordinary shares for the effects of all dilutive potential ordinary shares.

The estimated Diluted income/(losses) per share calculation is as follows:

	Thousand euros	
	2,022	2,021
Period income/(loss) attributable to equity holders of equity holders of the parent company (diluted)	7,660	2,631
Weighted average of outstanding ordinary shares (diluted)	94,608	94,608
Diluted income/(losses) per share	**0.08**	**0.03**

Balance reconciliation for period income/(loss) attributable to equity holders of the parent company and period income/(loss) attributable to equity holders of the parent company (diluted) is as follows:

	Thousand euros	
	2,022	2,021
Period income/(loss) attributable to equity holders of equity holders of the parent company	7,660	2,631
Period income/(loss) attributable to equity holders of equity holders of the parent company (diluted)	**7,660**	**2,631**

The weighted average number of diluted ordinary shares outstanding is as follows (IAS 33. 70(b)).

Thousand euros

	Thousand of shares	
	2,022	**2,021**
Weighted average of outstanding ordinary shares	94,608	94,608
Share-based payments under IFRS 2	-	-
Weighted average of outstanding ordinary shares, diluted	**94,608**	**94,608**

29 Contingencies

The Group is the holder of guarantees related to the ordinary business course for which no significant liabilities are expected to arise.

In the ordinary course of these activities, the Group has guarantees and similar instruments with third parties, among which there are public and diverse entities, to guarantee the provision of Group's companies services and the acquisition of machinery. As of 31 December 2022, the total amount is 4,791 thousand euros (7,095 thousand euros as of 31 December 2021). Additionally, the Group has compensation assets recorded from the combinations of business in the amount of 1,781 thousand euros (1,117 thousand euros as of 31 December 2021)

Thousand euros

30 Related parts

In the accounting year 2021, through merger by absorption of the company Gestora de Activos y Maquinaria Industrial, S.L. By Orilla Asset Management, S.L., the latter acquires the condition of dominant company of General de Alquiler de Maquinaria, S.A. because it holds over 50% of the Company's shares (Note 14).

The balances and transactions held by Grupo General Alquiler de Maquinaria, S.A. with principal shareholders at the year-end of 2022 and 2021 are as follows:

	Thousand euros					
	2,022					
	Transactions			Balances		
	Financial expenses	Sales and provision of services	Lease expenses and other	Trade receivables and other	Long-term debts	Short-term debts
Main shareholders						
Banco Santander	(737)	-	-	-	(32,590)	(9,491)
Orilla Asset Management, S.L. (*)	(508)	-	-	-	(11,408)	(703)
Other related parts						
Sociedades del Grupo Gestamp Automoción, S.A.	-	613	-	306	-	
Sociedades del Grupo Gonvarri, S.A.	-	52	-	11	-	-
Asti Mobile Robotics, S.L.	-	14		16	-	-
Proyectos del Occidente, S.L.	-	3	-	-	-	-
Cervezas Gran Via, S.L.	-	3	-	1	-	-
Uno de Febrero, S.L.	-	10	(16)	-	-	-
Cerámica Villacé	-	-	(60)	-	-	-
Integral Automoción 2000, S.A.			(1)			(6)
	(1,245)	**695**	**(77)**	**334**	**(43,998)**	**(10,200)**

(*) Formerly Halekulani, S.L.

Thousand euros

	Thousand euros					
	2,021					
	Transactions			Balances		
	Financial expenses	Sales and provision of services	Lease expenses and other	Trade receivables and other	Long-term debts	Short-term debts
Main shareholders						
Banco Santander	(955)	-	-	-	(17,570)	(7,989)
Orilla Asset Management, S.L. (*)	(539)	-	-	-	(12,111)	(704)
Other related parts						
Sociedades del Grupo Gestamp Automoción, S.A.	-	601	-	66	-	(104)
Sociedades del Grupo Gonvarri, S.A.	-	52	-	11	-	(24)
Certificación y Formación en Manutención, S.L.	-	-	(171)	-	-	(18)
Servicios Logísticos GALMAN, S.L.	-	-	(80)	-	-	(4)
Asti Mobile Robotics, S.L.	-	11		3	-	-
Uno de Febrero, S.L.	-	6	(12)	-	-	-
Tartiere Auto, S.L.	-	8	(108)	-	-	-
	(1,494)	**678**	**(371)**	**80**	**(29,681)**	**(8,843)**

(*) Company absorbed by Orilla Asset Management in the accounting year 2021

As of 31 December 2021, in addition to the operations above explained, there were contracts with other shareholders' related entities. The paid fees for the accounting year 2021 amount to 9 thousand euros, all related to some of the facilities where the Group develops its operations. No such contracts existed as of 31 December 2022

Related companies have not provided professional advisory services to the Group in the accounting year 2022 and 2021. No transactions other than those already reported are registered with related parts for the accounting years 2022 y 2021.

All transactions performed with related parties have been performed in the ordinary course of business.

31 Remunerations of the members of the Board of Directors and Senior Management

The position of Director is paid, pursuant to the contents of Article 9 of GAM By-laws. The payment can consist of a fixed amount agreed in the General Shareholders Meeting, which does not have to be the same for each one.

Thousand euros

The remuneration received by the members of the Board of Directors of GAM, S.A. during the accounting period 2022 amounts to 1,322 thousand euros (1,325 thousand euros in 2021). It includes the following items and amounts:

	Thousand euros	
	2,022	**2,021**
Salaries	1,322	1,293
Stock Options	-	32
	1,322	**1,325**

The remuneration accrued by Senior Management of the parent Company, i.e., the Company's main Directors, for all items, both fixed and variable, amounts to 1,744 thousand euros (1,116 thousand euros in 2021).

The parent Company has established two remuneration plans based on stock options for the Group Directors and Managers (Note 14.d). The Company has not registered any amount for this concept during the accounting period 2022. In 2021 the Company registered 10 thousand euros for the Senior Management and 32 thousand euros for the President of the Board of Directors for this concept as per IFRS 2.

There are no advances or credits granted to all the board of Directors or obligations undertaken with them as guarantees.

The Board of Directors and Senior Management members do not accrue amounts as current or future pension commitments.

The premiums paid in the accounting year as insurance against civil liability for the members of the Board of Directors amount to 96 thousand euros (82 thousand euros in the accounting year 2021).

32 Commitments

(a) Commitments to purchase non-current assets

As of 31 December 2022, the Group had an investment in machinery amounting to 44,529 thousand euros (40,056 thousand euros as of 31 December 2021), but this was not recognized in the consolidated annual accounts.

33 Significant events occurred during the accounting period 2022

On 24 February 2022, the military invasion of Ukraine by the Russian Government took place after several years of tensions between both countries.

In response to this military action, significant economic sanctions against Russia have been implemented by various countries and a growing number of large public and private companies have announced voluntary actions to restrict business activities with Russia. These actions

Thousand euros

include plans to divest assets or disrupt operations in Russia, reduce exports or imports from the country, and suspend the provision of services to the Russian state and companies.

Further, a number of Russian listed entities have seen their listings on certain stock exchanges suspended and have been excluded from market indices. The Russian Central Bank has temporarily suspended the trade of shares and derivatives, and the local authorities have also established temporary prohibitions for the foreign investors on the sake of Russian assets and have set significant restrictions to foreign entities, for example for the settlement of financial liabilities.

The conflict in Ukraine and the effects thereof take place at a time of uncertainty and significant global economic liability, and it is likely that the effects interact and even heighten the effects of the current market conditions. This situation involves an important series of effects on the economy and for which assessment is required.

In this regard, since the beginning of the conflict, the Directors and the Company's Management have carried out a preliminary assessment of the current situation and its possible effects on the Group based on the best information available.

Although most of the Group’s activities are developed with clients that are not located in the markets directly affected by the conflict, and the Group has no subsidiaries, contracts, deposits or investments of significance in Russia, Ukraine or Belarus and its activity is not directly impacted by the lack of raw materials from such countries, as it is the case for the agricultural and the energy sector, the Group is aware that the under the present context the impacts might not exclusively limit to the companies located in the affected Region.

To such end, internal analysis have been launched for the assessment of the actual ant potential impact of the crisis on the business activity, on the financial situation and on the financial performance.

As to the exposure to credit risk, as exposed in Note 3.3 to these annual accounts, the Group has mechanisms in place to ensure the recoverability of the trade accounts payable. The % of hedging has not been significantly affected, with it being 66% ad the end of the 2021 accounting period and 66% as of 31 December 2022.

The intensification task of collection management initiated by the Group since the very beginning of the crisis resulting from the COVID-19 has continued, without there being evidence of recoverability problems in relation with trade payables. The average period of collection is even better (72 days as of 31 December 2021 vs. 69 days as of 31 December 2022) and the credit rate of the Group’s customers has remained stable, because there is not a significant volume of customers pertaining to the industries more affected by the crisis.

In terms of business turnover, throughout the 2022 accounting period, the Group has maintained its activity in an uptrend, with sales increasing by 33% as compared to the same period of the previous year.

Considering the eventual effects on the segments with a currency other than the Euro, a relevant depreciation of the currencies has not been detected in LATAM or in the remaining territories. Further, it must be highlighted that, by 2020, the Group, taking into account the possible finance requirements in each of the countries where it operates, entered agreements with some of its subsidiaries operating in markets whose operational currency is not the euro; to ensure they could

Thousand euros

have financial means they needed for their growth in accordance with the business plan, and considering the ongoing context (Note 14).

Additionally, due to such external indicators, the Group has conducted several comprehensive assessments of impairment evidence on its non-financial assets throughout the accounting period. Such assets have undergone stress test in different scenarios, considering the existing uncertainty that might have an impact on the assumptions used, such as increase of sale, EBITDA margin, WACC rates, perpetual growth rate, machinery market prices, etc.

Throughout the 2021 and 2022, the Group has developed several operations intended to strengthen its financial balance and property position.

As of 28 January 2021, the parent GAM recorded a program of promissory notes called "Promissory Notes Program GAM 2021", registered under the alternative bond market ("Mercado Alternativo de Renta Fija" or "MARF" in Spanish), with a maximum outstanding balance of 50 million euros, with issues being carried out during the 2021 accounting period in the total amount of 20 million euros.

As of 26 January 2022, GAM renewed the former program of promissory notes called "Promissory Notes Program GAM 2021", registered under the alternative bond market ("Mercado Alternativo de Renta Fija" or "MARF" in Spanish), with a maximum outstanding balance of 50 million euros, and issues have been carried out in 2022, up to the date of the drafting of these annual accounts, for a total amount of 18.9 million euros.

On 6 July 2021, the Group recorded under the alternative bond market (“Mercado Alternativo de Renta Fija” or “MARF” in Spanish) a first issuance of bonds carried out under the program “Bond Program GAM 2021” for a total nominal amount of 80 million euros, to increase and diversify the Company’s funding sources. On 5 July 2021, a first issuance took place, for the amount of 30 million euros, and the funds were applied to the partial cancellation of the syndicated financing; namely, the part corresponding to Allotment G. As of 9 May 2022, said program was renewed under the name “Bond Program GAM 2022”.

On 30 November 2022, GAM entered a financing arrangement with the Investment European Bank (IEB), backed by the European Fund for Strategic Investments. The financed amount totals 35 million euros and is to be used for investments related to several sustainability and innovation projects that the Group is developing.

The Group keeps its expectations of growth, both organic and inorganic, which is evidenced by the business acquisitions carried out in the 2022 accounting period.

Within the next months, and until the economy is stable, the evolution will be subject to constant monitoring and changes will in macroeconomics, finance and trade will be continuously monitored to the most accurate estimation of the possible impacts in real time and to enable, if needed, the mitigation of such impacts with reaction and contingency plans.

35 Events after the reporting period

As of 2 February 2023, the parent Company recorded a program of promissory notes called “Promissory Notes Program linked to sustainability GAM 2023” which has been registered under

the alternative bond market ("Mercado Alternativo de Renta Fija" or "MARF" in Spanish), with a maximum outstanding balance of 50 million euros.

As of the date of drafting of these annual accounts, the 22 million in promissory notes issued under the "Promissory Notes Program GAM 2022", registered by the Group under the alternative bond market ("Mercado Alternativo de Renta Fija" or "MARF" in Spanish) during the accounting year 2022.

34 Other information

(a) Environmental Information

The Paris Agreement has had a substantial impact on the development of new climate-related policies and on the approval of new regulations. The European Union (EU), after having committed to having become climate neutral by 2050 and "The European Green Deal", which is its new growth strategy, has approved several regulations on this matter. In turn, Spain has also issued several laws and regulations on this matter, which means that the regulations on climate change and energy transition are constantly evolving, and this could adversely affect the Group's activities.

The Group companies have adopted the relevant measures on the environmental issues in order to be compliant with the relevant legislation in force. However, during the 2022 and 2021 accounting periods, the Group companies have not carried out significant investments and did not incur high costs in systems, equipment, and facilities to protect and improve the environments, mainly because of their activities.

The Group's strategy takes into account the objectives set by the Paris Agreement, despite the impact of the climate change risk not having been deemed relevant for the purposes of the drafting of the consolidated annual accounts for the 2022 accounting period, which is because such risk does not significantly affect the useful lives or the assets or the assessments of the assets impairment and no legal or implied obligations arise for the Group.

The parent Company Board of Directors considers that the environmental risks are adequately controlled by the procedures currently in place. There are no associated contingencies to be covered by provisions.

The Group has not received any environment-related grant in the accounting years 2022 and 2021.

b) Auditor's remuneration

KPMG Auditores, S.L., the firm auditing the consolidated annual accounts of the Group, has accrued the following professional service fees as of December 31, 2022 and 2021:

Thousand euros

	Thousand euros	
	2,022	2,021
Auditing services	246	198
Verification services related to auditing	31	30
Other accounting verification services	10	7
	287	**235**

The entry auditing services corresponds to the auditing of the consolidated annual accounts of General de Alquiler de Maquinaria, S.A. and its controlled companies by KPMG Auditores, S.L. for the period ended on 31 December 2022 and 2021. The entry Verification services related to auditing corresponds to limited revisions of the interim consolidated annual accounts of General de Alquiler de Maquinaria, S.A. and its controlled companies as of 30 June. Further, as of 31 December 2022 and 2021, the amount for other accounting verification services records the revision of debt ratio reports.

The amounts included in the previous chart include all fees related to services performed during the accounting years, irrespective of the date of invoice.

On the other hand, in the accounting years ended 31 December 2022 and 2021, other entities affiliated to KPMG International have invoiced professional service fees to the Group as follows:

	Thousand euros	
	2,022	2,021
Other accounting verification services	20	22
Other services	2	-
Auditing services	50	44
	72	**66**

There are no auditing services registered for other auditing firms in the accounting periods 2022 and 2021.

c) Conflict of interest events involving the Directors

As to avoid conflict of interests in the parent Company, the Directors part of the Board of Directors have complied with the obligations under article 228 of the Consolidated Text of the Law on Corporations during this accounting year. Per article 229 of the Consolidated Text of the Law on Corporations, the Directors have reported no direct or indirect conflict of interest that they or people related to them can have regarding the interest of the Group.

Thousand euros

ANNEX I

Corporate name	Address	% share on Nominal	Participating Company	Consolidated assumption	Activity	Auditor
GAM PORTUGAL – Aluguer de Máquinas e Equipamentos, Lda	Lisbon (Portugal)	100.00%	General de Alquiler de Maquinaria, S.A.	Global Integration Method	Machinery lease	KPMG
Aldaiturriaga, S.A.U.	Baracaldo (Vizcaya)	100.00%	General de Alquiler de Maquinaria, S.A.	Global Integration Method	Machinery lease	KPMG
GAM España Servicios de Maquinaria, S.L.U.	Oviedo (Asturias)	100.00%	General de Alquiler de Maquinaria, S.A.	Global Integration Method	Machinery lease	KPMG
Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U	San Fernando de Henares (Madrid)	100.00%	General de Alquiler de Maquinaria, S.A.	Global Integration Method	International subsidiaries holding	KPMG
GAM Alquiler Romanía, S.R.L	Bucarest (Romania)	100.00%	Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U.	Global Integration Method	Operationally inactive	(1)
GAM Training Apoyo y Formación, S.L.U.	Oviedo (Asturias)	78.00%	General de Alquiler de Maquinaria, S.A.	Global Integration Method	Training	(1)
General Alquiler de Maquinaria prestación de servicios, S.A. de C.V.	Mexico DF (Mexico)	100.00%	GAM España Servicios de Maquinaria, S.L.U,	Global Integration Method	Operationally inactive	(1)
GAM Alquiler México, S.A. de C.V.	Mexico DF (Mexico)	100.00%	Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U.	Global Integration Method	Machinery lease	KPMG
Movilidad sostenible MOV-E, S.L.	Oviedo (Asturias)	50.00%	General de Alquiler de Maquinaria, S.A.	Equity method	Operationally inactive	(1)
GAM Alquiler Perú SAC	Lima (Peru)	100.00%	Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U.	Global Integration Method	Machinery lease	(1)
GAM Panamá, SA	Panama (Panama)	100.00%	Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U.	Global Integration Method	Operationally inactive	(1)
General Alquiler de Maquinaria Chile, S.A.	Santiago de Chile (Chile)	100.00%	Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U.	Global Integration Method	Machinery lease	(1)
GAM Location Maroc, SARL AU	Tanger (Morocco)	100.00%	Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U.	Global Integration Method	Machinery lease	(1)

Thousand euros

GAM Colombia, S.A.S.	Bogotá (Colombia)	100.00%	Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U.	Global Integration Method	Machinery lease	KPMG
GAM Arabia Ltd	Saudi Arabia	50.00%	Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U.	Equity method	Machinery lease	PWC
GAM Dominicana, S.A.S.	Dominican Republic	56.25%	Grupo Internacional de Inversiones Alquiler de Maquinaria, S.A.U.	Global Integration Method	Machinery lease	(1)
Inquieto Moving Attitude, S.L.	San Fernando de Henares (Madrid)	80.00%	General de Alquiler de Maquinaria, S.A.	Global Integration Method	Vehicle sale	(1)
GAM Distribución y Manutención de Maquinaria Ibérica, S.L.U.	San Fernando de Henares (Madrid)	100.00%	General de Alquiler de Maquinaria, S.A	Global Integration Method	Machinery and spare parts distribution	KPMG
Inquieto Mobilidade Curiosa Unipessoal Lda	Montijo (Portugal)	80.00%	Inquieto Moving Attitude, S.L.	Global Integration Method	Machinery lease	(1)
Recambios, Carretillas y Maquinaria, S.L.	San Fernando de Henares (Madrid)	100.00%	GAM Distribución y Manutención de Maquinaria Ibérica, S.L.U.	Global Integration Method	Machinery lease	KPMG
Alquitoro 3000, S.L.	San Fernando de Henares (Madrid)	100.00%	GAM Distribución y Manutención de Maquinaria Ibérica, S.L.U.	Global Integration Method	Machinery lease	(1)
Sociedad de Intermediación de Maquinaria, S.L.	San Fernando de Henares (Madrid)	100.00%	GAM Distribución y Manutención de Maquinaria Ibérica, S.L.U.	Global Integration Method	Machinery lease	(1)
PRAMAC CARIBE, S.R.L.	Dominican Republic	56.25%	GAM Dominicana, S.A.S.	Global Integration Method	Machinery lease	(1)
Grupo Dynamo Hispaman, S.L.	Móstoles (Madrid)	67.33%	GAM Distribución y Manutención de Maquinaria Ibérica, S.L.U.	Global Integration Method	Machinery lease	KPMG
GAM Circular Process, S.L.	Oviedo (Asturias)	60.02%	General de Alquiler de Maquinaria, S.A.	Global Integration Method	Repair and machinery and circular economy	(1)

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Annexes

Evolution of the Group's operation in the accounting period 2022

The year 2022, when some effects of the COVID-19 crisis remained latent, was marked by the war conflict between Ucrania and Russia, which has evolved into an energy crisis, with the disruptions in the supply chains still being present.

Likewise, the inflation levels have shot up and, consequently, the central banks have agreed on increasing the interest rates, a measure which is expected to continue in throughout 2023.

Although this situation has directly affected GAM's activity in terms of delays in the delivery dates set for the incorporation of new machinery and in terms of increase of freight costs, fuel, spare parts, etc., as well as some structure and financing costs, the evolution of the company has been very positive with robust growth in all its markets and business lines.

The diversification strategy, which has been followed in the last years, enables the Company to keep on solidly growing and having better results:

- ✓ As of 31 December 2022, the Group's sales amounted to 223.2 million euros (168.3 million euros in the year 2021). The variation stands for an increase of 33% regarding the prior year, and is homogeneous because the increase concerns all businesses and countries.

- ✓ The Group's EBITDA (defined as the addition of the entries "Operating revenues", "Allocation for amortization" and "Non-recurring expenses") has amounted to 58.3 million euros in the 2022 accounting period, an increase by +32% above 2021 (44.2 million euros in 2021), with a margin of 26% over sales, despite the inflation context.

- ✓ The year-end revenues amount to 7.9 million euros, which means an increase by 192% as compared to the accounting year 2021,which ended with year-end revenues amounting to 2.7 million euros. A path of benefits for the last four accounting periods is thus consolidated.

The strategy applied by the company has consolidated a balanced mix of business where recurrent activities (businesses under long term contracts) already sand for 22% of total revenues, non-CAPEX businesses (i.e., those not requiring capital of additional structure) stand for 37%, and traditional business of rental and services stands for 41%.

This strategy has been supported by the company's acquisitions carried out in 2022, both Grupo Dynamo Hispaman S.L., which has enabled the GAM Group to consolidate as sole vendor in Spain and Portugal of the Hyster-Yale brands ("Dual Brand"); and the activity branches Intercarretilla, S.L., and Interplataformas, S.L., which have strengthened the business areas of Long-Term and lift platforms in the southern region of Spain.

The Group continues to invest in new businesses, specially focussing on sustainability, through the plan "Embracing Sustainability", which was launched in 2021 and consisting of four fundamental pillars:

1. Circular economy: in 2022 a first stage of this business was initiated. It was developed by the company GAM Circular Process, S.L., which, in its remanufacturing plant located in León, seeks to give machinery and machinery parts a second life.

2. Park electrification: Progressive substitution of combustion engine equipment by electric impulsion equipment. In 2022 GAM managed to have 79% of its machinery park for rental being zero-

emission (75% the prior year), and GAM intends to increase the percentage throughout the next years.

3. Sustainable mobility: provision of services for the last mile through alternative equipment that is 100% electrical and sustainable, under the INQUIETO brand.

4. Social innovation: Based on our training business, we have continued with the development of the trade school (KIRLEO). It is intended to upskill and reskill our students.

Under said process of growth and diversification, the Company has also enhanced the mix of its financing sources, as follows:

- ✓ In January 2022, the Promissory Notes Program registered in 2021 in the alternative bond market associated (MARF) was renewed, with an outstanding balance of 50 million euros.
- ✓ In May 2022, the Bond Program registered in 2021 in te alternative bond market (MARF) was renewed, for a maximum amount of 80 million euros, and with a single issuance carried out in 2021 for the amount of 30 million euros.
- ✓ In November 2022, GAM entered a financing arrangement with the Investment European Bank (IEB), backed by the European Fund for Strategic Investments. The financed amount totals 35 million euros and is to be used for investments related to several sustainability and innovation projects.
- ✓ Also in November 2022, GAM entered loan agreements for a total amount of 3 million euros with SODICAL Instituto Financiero de Castilla y León, for the financing of the Circular Economy Plant; at the same time they got a holding in the share capital of GAM Circular Process, S.L. through a contribution of 2 million euros.

At the year-end, the net debt of the company amounts to 180.6 million euros (excluding the debt for IFRS 16), with the Debt/Ebitda multiple being of 3.1 times (3.4 if the IFRS 16 debt is considered). The company deems it appropriate for its business area of operation and its ratios, increased by +33%, are better those of the 2021 accounting period.

The Group's equity amounts to 97.5 million euros (84.9 million euros at the closing date in December 2021) The parent company's equity amounts to 127 million euros as of 31 December 2022 (116 million euros as of 31 December 2021), and in 2022 the parent company has generated a result of 10.9 million euros as the result of the reversal of the impairment of its shareholdings in several subsidiaries of the Group due to the evidence that such subsidiaries were recovering and growing.

As a result of the above, the Company holds a stable position to follow its diversification strategy towards businesses and services complementary to the traditional machinery lease and seize growth opportunities.

Main business risks

Uncertainty caused by COVID-19 crisis

The pandemic caused by COVID-19 and the extraordinary measures implemented by authorities to stop the spread have had a severe negative impact on Spain's economies and the remaining countries where the Group operates.

The vaccination levels, as the main effective measure for containing the virus, are different between the different countries in the world, which is due to the different economic situations and to the personal beliefs inherent in the culture of the individuals living in the different territories.

New COVID-19 waves or new mutations of the virus or even new virus unknown so far, may trigger restrictions to mobility or subsequent lockdowns. To the extent that the machinery lease services directly depend on clients' normal development of operations, as well as on the availability of personnel and subcontractors, these restrictions or the spread of the disease amongst the population would be limiting factors, which, ultimately, would adversely impact the business, the results, the cash flow or the financial status of GAM and its Group.

Military escalation in Ukraine

The strength of the capital markets may be affected by the military escalation that is taking place in Ukraine. Under the frame of the confrontation existing since 2014 in the region, the peninsula of Crimea adhered to the Russian Federation and the autonomous republics of Donetsk and Luhanks were created. This conflict, known as the "Donbas War" has finally evolved into the beginning of an invasion by the Russian Federation, which took place on 24 February 2022.

The tensions arisen from the military confrontation have materialized in the form of penalties imposed on the Russian Federation (including some natural and legal persons) by the European Union (EU), the countries that are party to the NATO and other countries and organizations. This has affected (and continue to affect) multiple sectors, in particular, the finance sector, the government bonds, the capital markets, the exports and imports, the air transport, the sea transport, the trade of certain products, the payment systems, etc. From its part, the Russian Federation has, reciprocally, imposed penalties that, in general, affect the same sectors.
The outcome of future regulatory measures is not foreseeable. Thus, the Group exposes to the risk that is operations are affected, whether directly or indirectly, by regulations and laws that may be different and event conflictive between the different jurisdictions.

Additionally, given the export-oriented nature of the Russian Federation's economy (particularly in the market of raw materials and fuel), the impact on the economy of the European Union and Spain is not foreseeable. As of the date when these annual accounts are prepared, the military hostilities remain and the war in Ukraine continues to cause economic effects that impair the expectations for the economy of the Euro zone and even boost the inflation pressure. The disruptions in the supply of natural gas, added to the increase of the prices of gas and electricity, have heightened the uncertainty, have seriously affected the confidence and have given rise to an increase of the losses of real income, which is expected to involve a slowdown of the economy in the Euro zone during the second term of 2022 and the first term of 2023. The uncertainty around the expectations remains high, both in the short and in the midterm.

Risk associated with the current economic situation

Currently, there is an unstable economic environment, which is mainly due to a rebound of inflation, with high costs of energy, fuel and certain materials that have been adversely affected by the military conflict in Ukraine that, amongst other, has intensified the inflation tensions that already affected the raw materials market. Thus, and as it has already been said, it is foreseen that in Spain, as to yearly averages, the growth of the inflation as measured by the IAPD (Harmonized Index of Consumer Prices) reaches 8.7% in 2022, as it has been forecast by the Bank of Spain.

The inflation pressure has let the central banks to apply measures consisting of increases of the interest rates. In July 2022, after eleven years, the ECB announced a first increase of the interest rate. The increase was of zero point five (0.5%) per cent. Two months later, in September 2022, a new increase was applied. Now it was of zero point seventy-five (0.75%) per cent. In October 2022 there was a third increase of zero

point seventy-five (0.75%) per cent, and in December 2022, there was another increase, of zero point five per cent (0.50%). The current rate applied by the ECB is 2.50%.

The current economic environment of instability has generated a high degree of uncertainty in relation with the prospects of the economy worldwide and of the Spanish economy in particular. The inflation, the economic growth and the price of electricity and fuel may be severely affected which, therefore, will result in an impairment of the general economic situation in which the Issuer is operating and, ultimately, might have an adverse material effect on the financial condition and cash flow of the Issuer.

Large number of competitors

The machinery lease business in Spain is significantly fragmented due to the high number of small operators. Only a few of them, amongst which GAM outlines, have a relevant domestic market share (GAM's market share amounts to approximately 5% in 2022)[1]. The vast majority of market operators are small family-controlled enterprises with limited service capacity in small coverage areas, and they are typically specialized in a specific machinery category. Nevertheless, these small companies can be highly aggressive in prices.

Also, regional companies that operate locally compete against GAM and machinery manufactures which sell and lease directly to clients. This high market fragmentation can impact the GAM Group's negotiating capacity adversely with clients.

Although the price tendency is generally stable in the last years, minimal market concentration makes smaller companies easily impact prices.

The competitive pressures could adversely impact business, the results of the GAM's financial, economic and property situation by decreasing its market share or push the prices down.

Investments from technological changes. Ecological transition risk from diesel to zero-emission equipment.

The emergence of new manufacturing technologies and products could result in higher investments than those initially foreseen to renew the Group's product catalogue.

Moreover, as per clients' and environmental legislation requirements, the equipment lease sector is increasingly demanding electrical or zero-emission equipment to replace diesel engine ones.

Nowadays, most of the equipment available in the market continues depending on fossil fuels, as diesel, to work.

Therefore, manufacturers' inability to produce zero-emission or non-polluting clean energy equipment is an additional risk to cope with the green transition demand.

Currently, the percentage of zero-emission equipment in GAM's fleet amounts to 79.8%. GAM cannot guarantee to comply with its clients' expectations because of the society demand and the eventual legislative amendments, requiring the use of 100% electrical or non-polluting equipment. This could adversely impact the business, the results or the GAM's financial, economic and property situation and GAM's companies.

The machinery purchase price can increase.

The acquisition costs of new equipment for the lease pool can rise due to the increase in raw materials prices, such as the increase of steel price, a material used in most of the equipment. These increases could impact the financial situation and operation results in future periods if they are not reflected in the machinery

[1] Source: ERA (*European Rental Association*).

lease prices. Additionally, the demand variations due to technology changes, safety or environmental aspects, legal or otherwise, could result in the obsolescence of the existing equipment or the purchase of new equipment. These could increase the GAM Group's costs and generate harmful effects on the business, results and financial situation. On the other hand, an increase in the price of machinery would have a positive effect: machines are the company's main asset and these would have a higher value in the market.

The GAM Group's operations' capital intensive nature requires a high level of expenditure and could impact the GAM Group's ability to react against market changes.

The GAM Group's operational scheme is the acquisition and lease of machinery to optimize float use. The float wear and the potential growth require significant capital expenses and, therefore, a high cash flow and external funding resources. Since the opportunities to quickly adjust the lease pool are few, the capital intensive asset base for GAM's trade operations can limit GAM's ability to react before unexpected changes in the market circumstances. Therefore, equipment and demand variations, adverse financing terms or the lack of funding can negatively impact Group GAM's business, results and financial situation.

Risks associated with product guarantees and product liability claims

The Group's business is exposed to possible risks from situations that determine product liability, especially in countries where the costs associated with product liability claims can be incredibly high.

Therefore, the Group could face claims resulting in obligations that exceed the allocated procurements and the amounts in the related insurance policies for such purposes. Nevertheless, the Group has a high diversification of services related to machinery lease, which decreases the risk.

Dependence on key and specialized staff

GAM much depends on specific key staff. The Group's activities require highly trained professionals to manage several aspects with high efficiency and efficacy level. Some of the most wanted profiles needed by the GAM Group are employees with technical and commercial specialities. The offer is limited.

Moreover, the GAM Group headquarters for operational purposes (i.e. the shared services centre) is located in Asturias, where all managers work. This region's labour market is more limited than in big Spanish economic centres because of demographical ageing[2], less attractive geography to bring and retain talent, and more limited resources.

Similarly, GAM's growth will require additional staff with specific training and geographical availability. Some responsibilities need particular professional profiles that are difficult to attract and retain, such as trade representatives who know the business development (in many cases, these are business that require encouraging customer loyalty) and the operating markets, and technical staff to repair and maintain the machinery.

In this sense, the availability of qualified technical personnel for workshops is essential for GAM Group's business, both nationally and internationally. The personnel responsible for workshops will be in charge of having the machinery ready for clients, maintaining and revising them as soon as possible, and complying with each machinery's technical requirements. If the machinery is not repaired and kept, the different branches cannot provide lease services and customer support. The employee responsible for the workshop requires, along with investment in training resources, experience. The lack of retention of these talents in GAM can adversely impact the machinery available for lease and, consequently, the sales figure.

GAM can neither guarantee the management team stay or the high functional or international managers, nor the incorporation of external talent to substitute them in the event of no stay. The termination of the service delivery by key management team staff, both in national functional operations and in the international

[2] Source: Instituto Nacional de Estadística (INE).https://www.ine.es/jaxiT3/Datos.htm?t=1452#!tabs-tabla.

associates, and the impossibility or difficulty to attract and retain qualified staff, will adversely impact the business, the results or GAM Group's financial situation. This is more relevant than in other companies due to the geographical position and the difficult-to-contract technician dependence.

Risk due to the Group presence at the international level and in emerging economies

The Group presence in Mexico, Colombia, Chile, Peru, Panama, Dominican Republic, Morocco and Saudi Arabia means the exposure to risks that are not present in more mature or stable economies.

In the accounting period of 2022, the Group generated 22% of the recurring EBITDA through its partner companies established in the countries above.

The emerging markets are under political and legal risks, less common in Europe and North America, including, for instance, the nationalization and expropriation of private assets, political and social instability, sudden changes affecting the legal framework and the government policies, and variations in tax policies and price controls. These risks involve the requirement to adapt to the different jurisdictions and to the legal and regulatory systems of each country where the Group operates and the continuous amendments thereto. Extraordinary resources are required for business management in those countries and, in any case, essential requirements for personnel in the business operating and financing fields.

Likewise, the emerging and other international markets where the Group operates are more exposed than developed markets to the macroeconomic instability risk, the volatility of the GDP, inflation, exchange rates and interest rates, devaluation of local currency, political changes that generally affect economic conditions and the financial crisis. This will impact the Group's operations adversely. In some cases, due to instability, there could be restrictions to currency movements (which could prevent the Group's partner companies located in emerging markets to repatriate their profits) and to the import of capita equipment.

In practice, there could be difficulties in maintaining consistent rules, controls, systems, procedures and policies in these countries where the Group operates. Consequently, those geographies where these procedures and controls could not be implemented may be exposed to regulatory compliance risks.

Some of these contingencies have adversely impacted on the GAM Group recently. So this is the case with the electoral crisis in Perú or the continuous riots and turmoil in the main cities of Chile and Colombia, which has resulted in a slowdown of tenders and civil works in this region.

Also, the effects of the health crisis caused by the COVID-19 pandemics have demonstrated the risks linked to the presence in these countries, where, in general, vaccinations progress more slowly than in advanced economies and where the social and economic policies applied have been diverse. As a result, the recovery of the activity rates existing before the outbreak of the pandemics has been slower in this economies if compared to the Iberian territory.

GAM cannot guarantee the success of the Group international operations and future investments in those geographies. If the risks and contingencies under these emerging markets occur and unfavourable scenarios are created, the GAM Group business results or the financial situation could be negatively impacted.

Integration risks inherent to acquired companies

Since 2020, the GAM Group is implementing a strategy consisting in the acquisition of companies and operating branches to increase the sales figures and the Group presence in the machinery long-term lease business of strategic sectors such as the industrial one. In addition to the legal and tax risks that may be arisen from the acquisition of companies and/or not detected during the "due diligence" process, there are operating and business risks that may generate problems in the integration of new companies within the GAM Group and decrease the profitability expected for the newly acquired business. These risks are mainly the following:

(i) the loss of the clients of the newly acquired companies;

(ii) the development of new business lines (in the long term, automatic guided vehicles or AGV, bridge cranes, etc.), where the GAM Group has very little experience;

(iii) the personnel integration of the newly acquired company within the Group, especially key personnel;

(iv) the difficult and costly integration of the Enterprise Resource Planning (or ERP) of the new companies in the GAM Group systems;

(v) the difficulty to get the expected synergies; and

(vi) the increase in time and human resources required to assess, negotiate and incorporate the new companies within GAM Group.

Failures in the management and information systems. Cyber risks.

GAM has a high dependence on company information management systems or Enterprise Resource Planning (ERP), supporting all the GAM Group operating procedures.

Due to internal or external reasons (cyber-attacks, virus, etc.), any management systems failure will jeopardize GAM Group's operations continuity. This would adversely impact GAM Group business, the results, or the financial situation.

Moreover, the GAM Group owns sensitive information both from the commercial point of view and in terms of data protection (clients, providers, employees, etc.). To reduce the risk of a potential cyberattack, the GAM Group has implemented the following measures: installation of several protection measures (such as firewalls, antivirus, malware and traffic monitoring); external data centre; implementation of strategies to recover personal data and confidential information; and reduction of downtimes in the event of computer failure.

Litigation risk

The Group is involved in litigations or claims mainly due to the result of the ordinary business course. The outcome is uncertain and cannot be precisely determined. These litigations essentially arise from the clients, providers and employers, as well as from their activities. As of the present date, there are no pending legal and arbitration procedures that could significantly affect the Group activity, financial situation and results.

Risk inherent to demand variations

In those periods where the product demand is low, the Group margins can decrease as the fixed costs over a high sales volume cannot be included in the total costs. When demand is higher than usual, there is the possibility that the Group may not meet it.

Environmental and safety risks.

The operations performed by GAM Group do not involve a high environmental risk, but dangerous cleaning and maintenance products are used, which generate hazardous waste and wastewater. It also stores and distributes petroleum products from underground storage and surface tanks in some locations. Therefore, as in other companies engaged in similar businesses, the handling, use, storage and waste of materials must be done in compliance with the health, safety and environmental and regulatory frameworks and laws.

The environmental laws involve obligations and responsibilities regarding the cleaning in case of leak or emission of hazardous products. These liabilities can be imposed on the parties generating or removing

such substances or on the affected property's operator. Frequently, the proprietary or the operator is not aware of the presence of dangerous substances. As a result, GAM can be held liable, whether pursuant to a contract or pursuant to the law, for the clean-up expenses, even if it does not own the polluted property or third parties polluted it during or before owning the property or operating in it.

Prior assessments or research do not guarantee the identification of all potential floor or underground water pollution cases. Future events such as regulatory or political changes or the discovery of currently unknown pollution may involve additional clean-up responsibilities, which may be material.

Although the expenses related to the compliance with environmental clean-up and health requirements are not material up to date, the GAM Group keeps on incurring capital and other costs to be compliant with the law and the regulatory framework. Nevertheless, the requirements under such rules and regulatory frameworks frequently change and could be stricter in the future. GAM Group might not always be able to meet these requirements, and is exposed to the risk of potentially significant fines and civil penalties in the event of continuing with the non-compliance. The new requirements or regulatory interpretation or the additional liabilities that arise in the future can have adverse material effects on the GAM Group business, financial situation, and results.

Fraud risk.

Monitoring the compliance with money laundering, terrorism funding, and bribery rules can be a financial burden for the Group, and can involve significant technical issues. Despite considering that its current policies and procedures are sufficient to comply with the applicable rules, the GAM Group cannot guarantee that those against money laundering, terrorism funding and bribery are not circumvented or are enough to completely prevent money laundering, terrorism funding and bribery completely. Any of these events could have serious consequences, including civil and criminal penalties, fines and significant reputational implications that could have adverse effects on the Group business, financial condition, operating results and on the possibilities of evolution of the Group as a whole.

Accident rate risks.

The activities of Issuer and its Group are exposed to accidents that may adversely impact their own results and reputation.

Financial risks.

The financial risks for the Group's activities are detailed in the attached consolidated annual accounts.

Environment

The Company has adopted the measures deemed necessary to protect the environment and reduce any potential environmental impact arising from the Group's operations, as required by the applicable legislation.

Research & development

In the accounting periods 2022 and 2021, no significant investments have been carried out for these purposes.

Treasury Shares

As 31 December 2022, the company has 49,681 treasury shares. No treasure shares were held as of 31 December 2021.

Human resources

As of 31 December 2022, the GAM Group's workforce consists of 1,338 employees (1,198 as of 31 December 2021), which means a 12% increase if we compare it to the figure of December 2021.

Non-Financial Statement

As required under article 538 of the Law on Corporations, the Non-Financial Statement for the accounting period 2022 is attached as an annex to this Management Report and is an integrating part of it.

Annual Corporate Governance Report

As required under article 538 of the Law on Corporations, the Annual Corporate Governance Report for the accounting period 2022 is attached as an annex to this Management Report and is an integrating part of it.

Annual report on remunerations to directors

As required under article 538 of the Law on Corporations, the Annual report on remunerations to directors for the accounting period 2022 is attached as an annex to this Management Report and is an integrating part of it.

ANNEX I: ALTERNATIVE PERFORMANCE MEASURES (APM)

Alternative Performance Measures (APM)

GAM Group's financial information contains magnitudes and measurements under the applicable accounting regulations. Others are prepared following the reporting standards established and developed internally. These are the Alternative Performance Measures or APMs.

These APMs are magnitudes adjusted regarding those presented according to the International Financial Reporting Standards adopted by the European Union (IFRS-EU), the applicable accounting framework for the GAM Group's consolidated annual accounts. Therefore, these are complementary and do not replace them.

APMs are essential for users of financial information. They are the measures used by GAM's Management to assess the financial performance, cash flows or the economic situation and subsequently take decisions regarding the Groups operations or strategies.

These measures, as well as the financial measures, are used, according to the IFRS-EU, to establish invoices and objectives and to administer businesses, assess the operating and financial performance and compare this performance to prior periods and to the competitors' performance.

In this sense, and as established by the guidelines issued by the European Securities and Markets Authority (ESMA) on the transparency of the Alternative Performance Measures and effective from 3 July 2016, GAM provides below relevant information related to those APMs included in the management report for the periods 2022 and 2021.

Accounting EBITDA: It is estimated considering the following entries in the consolidated statement of income: "Sales" plus "Other income", minus "Cost of sales", minus "Personnel expenses", minus "Other operating expenses", plus "Profit of investments accounted under the equity method", plus "Negative difference in business combinations".

Non-recurring expenses: They are estimated by adding the costs from restructuring the workforce, non-financial fees associated with debt refunding, stock-option expenses and those expenses related to operation termination in a geographical area or business line.

Non-recurring expenses: They are estimated by adding the non-financial expenses above defined, plus the financial expenses related to debt refinancing.

Recurring EBITDA: It is the accountable EBITDA plus non-recurring expenses above defined.

Operational investments or CAPEX: Amount for the addition of property, plant and equipment and right-of-use assets, machinery, adjusted by the amount corresponding to the addition of fixed assets other than machinery.

Total net financial debt: It is estimated based on the following entries on the consolidated balance sheet: "Short-term and long-term loans and other financial debts" plus "Lease debts", minus "Debt formalization expenses - Refinancing", minus "Liabilities for operational leases under the IFRS 16", minus "Debts under contracts with repurchase arrangements, following the IFRS 15", minus "Debt with funded fixed assets suppliers", minus "Bonds", minus "Deferred payments for company acquisitions", minus "Capitalized interest pending payment" and minus "Cash and other equivalent liquid assets".

Adjusted net results attributable to the parent company: It is estimated by adding the Results attributable to the parent company to the financial expenses associated with the convertible debt, the exchange rates differences and other non-recurring non-cash entries.

	Thousand euros	
	31, December 2022	31, December 2021
(+) Revenue	223,239	168,262
(+) Other income	10,532	8,001
(+) Cost of sales	(80,622)	(60,127)
(+) Personnel expenses	(52,731)	(43,071)
(+) Other operating expenses	(42,269)	(30,990)
(+) Negative difference in business combinations	-	1,265
(+) Profit of investments accounted under the equity method	(273)	190
Accountable EBITDA	**57,876**	**43,530**

	Thousand euros	
	31, December 2022	31, December 2021
(+) Workforce restructuring expenses	(286)	(465)
(+) Non-financial expenses associated with refinancing	(107)	(52)
(+) Other non-recurring expenses	(70)	(132)
(+) Stock options	-	(42)
Non-recurring expenses	**(463)**	**(691)**
(+) Non-recurring financial expenses	(247)	(852)
Non-recurring expenses	**(710)**	**(1,543)**

	Thousand euros	
	31, December 2022	31, December 2021
(+) Accountable EBITDA	57,876	43,530
(+) Non-recurring expenses	463	691
Recurring EBITDA	**58,339**	**44,221**

The Group has applied the IFRS 16 as of 1 January 2019. To homogenize the comparative information, the EBITDA expenses for operational leases have been excluded. As per IFRS 16, they are now considered financing flows.

	Thousand euros	
	31, December 2022	31, December 2021
(+) "Loans and other financial debts"	200,608	138,401
(+) "Lease liabilities"	83,026	63,408
(-) "Debt formalization expenses - Refinancing"	1,011	945
(-) Liabilities for operational leases under IFRS 16	(19,863)	(17,224)
(-) Debts under contracts with repurchase arrangements under IFRS 15	(15,656)	(8,454)
(-) Debt with funded fixed assets suppliers	(8,745)	(11,816)
(-) Deferred payments for company acquisitions	(1,877)	(2,664)
(-) Capitalized interest pending payment	(308)	(134)
(-) Bonds	(49)	(70)
(-) Cash and other equivalent liquid assets	(57,541)	(13,880)
Total net financial debt	**180,606**	**148,512**

	Thousand euros	
	31, December 2022	31, December 2021
(+) Property, plant and equipment recognitions	46,066	54,159
(+) Right-of-use asset recognitions, machinery	14,126	15,469
(-) Other fixed asset recognitions and other entries	(10,455)	(1,987)
Operational investments or CAPEX	**49,737**	**67,641**

	Thousand euros	
	31, December 2022	31, December 2021
(+) Result attributable to the Parent	7,660	2,631
(+/-) Financial expenses Exchange rate	(413)	17
(+/-) Other non-operational non-cash adjustments	-	(1,265)
Adjusted net result attributable to the Parent	**7,247**	**1,383**

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

APPENDIX II: NON-FINANCIAL STATEMENT

KPMG Asesores, S.L.
P.° de la Castellana., 259 C
28046 Madrid

Independent Assurance Report on the Consolidated) Non-Financial Information Statement of General de Alquiler de Maquinaria, S.A. and subsidiaries for 2022

(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails.)

To the Shareholders of General de Alquiler de Maquinaria, S.A.:

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFIS) of General de Alquiler de Maquinaria, S.A. (hereinafter the Parent) (and subsidiaries) (hereinafter the Group) for the year ended 31 December 2022, which forms part of the accompanying consolidated Directors' Report of the Group for 2022.

The consolidated NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. In this respect, our work was limited exclusively to providing assurance on the information contained in the "Index of contents required by Law 11/2018" table of the accompanying consolidated Directors' Report.

Directors' Responsibility

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in the "Index of contents required by Law 11/2018" table of the aforementioned consolidated Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails.)

Our firm applies current international quality standards and consequently maintains a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Parent that participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Parent's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2022 based on the materiality analysis performed by the Parent and described in the "Identification of material matters related to sustainability" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2022.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2022.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2022 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails.)

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of General de Alquiler de Maquinaria, S.A. and subsidiaries for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected GRI Standards based on each subject area in the "Index of contents required by Law 11/2018" table of the aforementioned consolidated NFIS.

Use and Distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Marta Contreras Hernández

28 February 2023

NON-FINANCIAL STATEMENT

2022

gam

End-to-end solutions for the industry

INDEX

NFS GAM

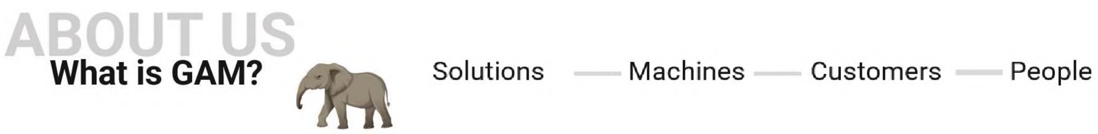
1 About us

gam

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

What is GAM

General de Alquiler de Maquinaria (hereinafter “GAM”) is a Spanish company operating at an international level. It was founded in 2003 in Asturias and specializes in the provision of global services related to machinery. What make us different is our offer of end-to-end solutions for our customers.



The Company’s headquarters are in Granda (Asturias), the biggest of its workplaces, not only regarding the number of employees but also because of its facilities' technical and operational ability.

In 2006, we became the first company in the industry who entered the Continuous Market of the Madrid Stock Exchange. In the following year we began a path of international expansion, specially to Latin America and northern Africa, which has made us become a multinational company that is present in four continents and 9 markets in addition to the Spanish market: Portugal, Morocco, Panama, Mexico, Chile, Peru, Colombia, Dominican Republic and Saudi Arabia.

Our multidisciplinary activity, along with our international presence and the specialized services, are the factors that have contributed to have the company seen as reference company in the market.

The values that accompany us

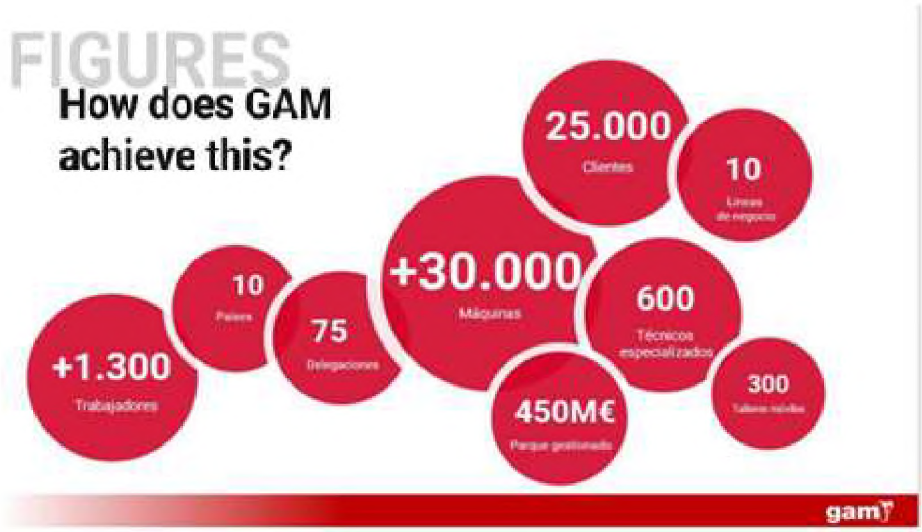
Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

Main figures

58,3
million€
EBITDA

223,2
million€
sales

"We increased by 32% our EBITDA and by 33% our sales turnover vs. 2021 accounting period"



We intend to continue to consolidate our growth path, focussing on boosting the services linked to long-term contracts, as well as the growth of those business requiring less CAPEX. We seek recurring business, that is stable and global, with added value and adapted to the specific needs of our customers in the different industry sectors under which their activity is framed.

In June 2022, the alternative bond market ("Mercado Alternativo de Renta Fija" or "MARF" in Spanish) recorded a first issuance of bonds under the "Bond Program GAM 2021" for a total nominal amount of 30 million euros, with a maturity date of 5 July 2026.

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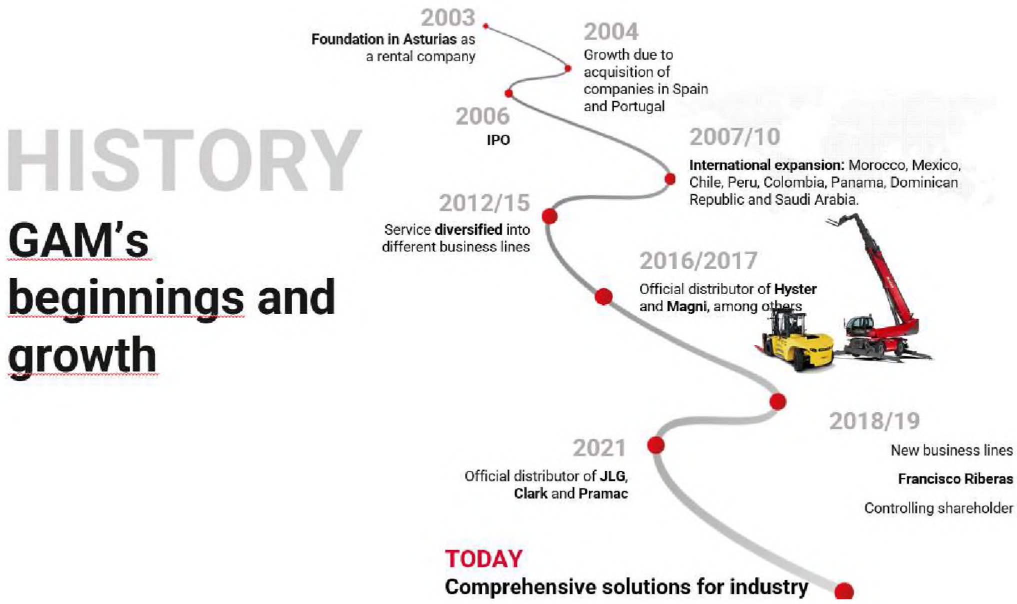
GAM in the world

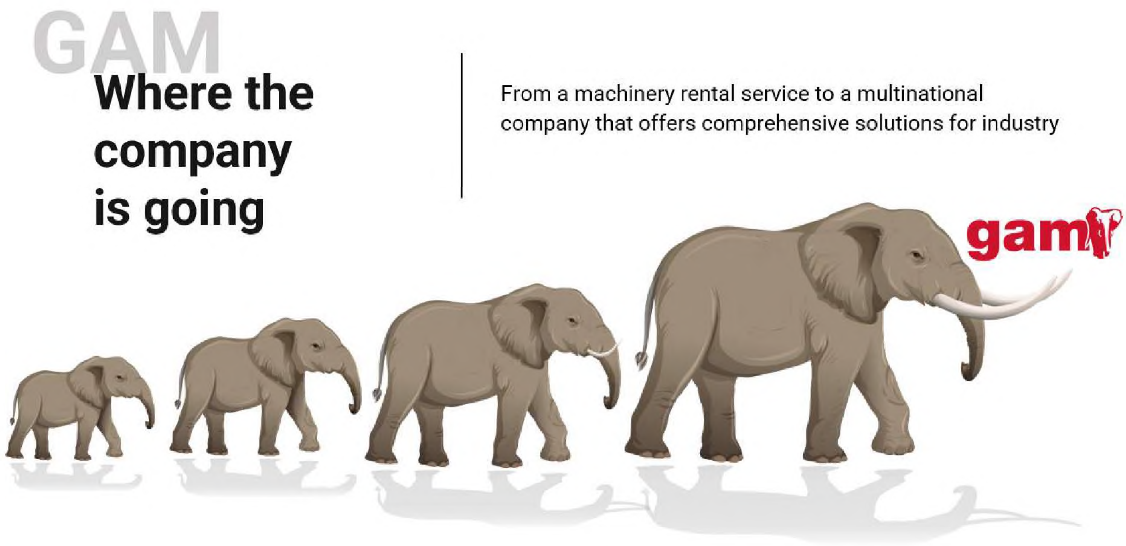
Presently we operate in 10 countries, and we have 75 branches.

Where do we come from?



Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

Where are we going?



Our purpose: closeness to our customers

As a company, we have the main goal of creating a value proposition that makes a difference and is comprehensive, to become a strategic partner for our customers; actively listening to their needs and offering them solutions that, in turn, make our business grow and diversify; always keeping in mind the values of transparency, commitment and honesty that distinguish us. We are a collaborative, innovative and committed company.

In this mission we count on an irreplaceable support for our day-to-day activity: We have our *partners*, our preferred collaborators, and those companies and machinery brands that are an intrinsic part of GAM's offer. And we also have our providers, those with whom we have a major collaboration we seek to maintain for a long time based on the values or transparency and mutual trust.

Our vision is being the best industrial services partner at a global level for our customers, delivering value and meeting any requirement, generating a positive impact on the environment and within the communities where we operate.

We have a highly integrative model of services that offers a high value proposal for our clients, with a single and customized interaction that adapts to their requirements and needs.

Undertaking the challenge of positioning ourselves as innovation leaders in our industry, at GAM we dedicate a major effort to analysing, exploring and developing new solutions for the whole industry. Thus, innovation, defined as facing different challenges differently, is the basis of our future strategy, where we opt for digitalization and sustainability as the key pillars of our growth along the path to a new era in the industry: one that is more sustainable, more digital, and more close to people.

INNOVATION

"Innovation to achieve agility and efficiency with a disruptive approach"

For us, the information is the driver of development. Thanks to information we are more competitive and able to optimize the decision-making processes. This is how we crated "GAM Digital", a plan that enables us to be a "data driven" company, where data occupies a first place in the decision-making process. As the result of this plan, GAM has identified up to 85 initiatives

grouped under 46 projects to be developed until 2023, and this will optimize the performance in all the areas within the company, which will be one step forward as a collaborative and innovative company.

Our proposal of end-to-end solutions for the industry

We are a major benchmark in the industry of machinery lease in Spain. However, as a Company that focusses on listening to the needs of our customers, we go even further offering end-to-end services to the industry, providing the customers with a value proposal. This is why we are capable to offer them, through one single contact person, different services and scopes.

To such end, we have 10 business units: Machinery lease, Energy, Machinery park maintenance, Modular construction, Events, Distribution, Machinery sale and purchase, Training, Mobile robotics and drones, and Last Mile.

Machinery rental
Lifting, handling, maintenance and energy.

Energy
Turnkey projects

Industry
Long-term customised solutions

Structures
Customisable modules

Events
Assembly, implementation and organisation

Distribution
The best machinery brands

Second hand
Buying and selling, auctions and spare parts

Engineering
Robotics, automation and drones

Training
In-house and online approved training

Maintenance
Proprietary and third party fleets

Last mile
Last Mile mobility solutions

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

Through these units we offer a wide range of services to a large variety of sectors: logistics, food industry and distribution, automotive, renewable energies, aeronautics, chemical products, metals, facilities or services for facilities, amongst others.

SOLUTIONS

Metallurgy industry

- Machinery adapted and prepared for metal companies.
- Innovation and technology through drone engineering.
- Modular buildings to expand workspaces.
- Legislation, audits and certifications.

SOLUTIONS

Automotive and aeronautics

- Custom rental and maintenance programmes with flexible renting and 24/7 technical support.
- Optimise spaces and processes with technical studies, fleet management and automation for production.

SOLUTIONS

Ports

- Comprehensive rental and turnkey projects with technical support on site.
- Distribution and sale of the entire Hyster ReachStacker range, container ships and high tonnage forklifts.
- Comprehensive fleet management and specialised operator training.

SOLUTIONS

Mining and extraction

- Requirements analysis and personalised customer service.
- Low-profile specialised heavy machinery prepared for intensive jobs with high wear environments.
- Modular buildings to optimise time and costs.

SOLUTIONS

Paper, cardboard, wood and recycling

- Turnkey projects for scheduled maintenance shutdowns.
- Machinery and accessories adapted for handling different products and offering high load capacities.
- Flexible renting, short-term rental or direct sale.

SOLUTIONS

Chemical industry

- Short and long-term rental of machinery for production, distribution and logistics.
- Explosion-proof machinery and accessories for gas and dust environments.

SOLUTIONS

Renewable energies

- Machinery prepared for load transport and handling
- Fleet maintenance programmes with cost control, including replacement machines and 24/7 technical support.

SOLUTIONS

Logistics

- Flexible rental, safety stock and technical support for intensive work.
- Technology, sustainability and new integral solutions for "Last Mile" logistics distribution.
- Custom accreditation training

SOLUTIONS

Food industry

- Drone engineering and automation applications for the food sector.
- Adapted and specialised machinery for collecting and producing food.
- Customised projects through flexible, short-term renting and customised technical support service.

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

SOLUTIONS

Food industry

- Machinery prepared for load transport and handling
- Fleet maintenance programmes with cost control, including replacement machines and 24/7 technical support.

SOLUTIONS

Facilities

- Flexible rental, safety stock and technical support for intensive work.
- Technology, sustainability and new integral solutions for "Last Mile" logistics distribution.
- Custom accreditation training

Our business model

We handle many equipment units, around 22,000 thousand, and this includes elevation, maintenance and handling services, as well as energy supply equipment. At GAM we offer an end-to-end service of machinery lease that covers all the needs, through a one-stop system where commercial and technical advice can be obtained from a single contact person and which includes additional services such as maintenance, training for operators or sale and purchase, and which offers specialized technical service through a network of 75 branches and 300 mobile workshops.

We conduct energy projects, from the “turnkey” perspective for generator sets, compressed air equipment, air conditioning systems and air processing units. Within the scope of this kind of projects there is the design and optimization of facilities, the certification thereof, their assembly and disassembly, on-duty service, refuelling management and so on, up to the report on performance and results.

We also propose initiatives for the optimized management of the machinery park through technical reviews, the implementation of internal and external logistics, 4.0 industry and processes enhancement (robotics, automation, AGV). We offer permanent technical service, equipment renewal (whether through purchase and subsequent lease of equipment or the replacement of equipment with equipment that meets new production needs).

We offer training services for self-employees, employees and individuals, with more than 300 monthly courses in 75 locations. Our training is certified. We have professional trainers and labour risk prevention experts, ensuring that the employees acquire specific knowledge of the equipment they handle to increase the performance of the work processes, lessen as much as possible the risk of accidents and optimize the care of equipment and installations.

We arrange for the installation and holding of corporate, sport, institutional and cultural events. **We are the only provider in Spain offering turnkey service for audiovisual, energy and machinery**. Another of our business lines that makes us different is the module construction, where we do not only take care of the design, manufacturing and assembly, but we also take care of the transport and the eventual repairs, offering both lease and sale and adapting it to different finishings and needs.

We are vendors of the best brands in the machinery market, covering a wide range of equipment, from forklifts, frontal or rotating telescopic handlers, scissor platforms and lifting platforms to mobile cranes or cleaning equipment. We have the most complete range of the market, including major international brands such as Hyster, Magni, Oil&Steel, Bravi, Mobilev, Logistrans, Tennand and VLX.

We offer sale-purchase services through our GAM Online portal, providing the opportunity to sell or purchase used machinery to different industries or sectors, with the help of our commercial network. Additionally, we manage programs for the maintenance of machinery adapted to the needs or each customer, offering technical and commercial advice.

At GAM we offer edge-cutting technological solutions to offer accurate data in real time in a more secure way and with a significant saving of time and costs, and implementation through projects with drone technology and development of projects with automated guided vehicles.

Strategy

Main strategy lines and goals of the Company:

- Positioning as vendor or end-to-end services that progressively increase in complexity and that make us more different, providing the customer with the flexibility resulting from the outsourcing of their secondary activities.
- Value proposal based on the entirety of our service portfolio: lease, energy, industry, modular structures, events, distribution, purchase-sale, drone engineering, training and
- Keep on progressing with the machinery distribution line, by entering agreements with industry leading brands.
- To consolidate the business of zero-emissions solutions for the last mile sector.
- To advance in the training imparted to the professionals through KIRLEO, our trade school.
- Homogenization of the business across all the markets where GAM is present.
- Continued evolution of the park to zero emissions.
- Enhancement of performance and processes digitalization.

Advancing towards Sustainability and Innovation with the help of our experts and customers

Part of our vision as company consists of generating positive impact on the environment and in the communities where we operate. For such purpose we have created a transformative project named **"*Embracing Sustainability*",** which offers an overall view of the GAM's initiatives within the context of cross-cutting sustainability issues, which enables to identify areas for improvement, highlight success stories and boost continuous improvement.

Transforming the business in 4 steps

1 Circular economy

- Extend the life cycle of the machines in the re-manufacturing plant
- Reuse parts and components for manufacturing other machinery
- Reuse materials for other industries and sectors

2 Sustainable energy and mobility

- More than 79% of the fleet with zero emissions
- Ninety five percent of GAM's energy consumption comes from green energy
- Creation of Inquieto, a start up dedicated to last-mile mobility
- Technical support, also electrical

3 Social innovation

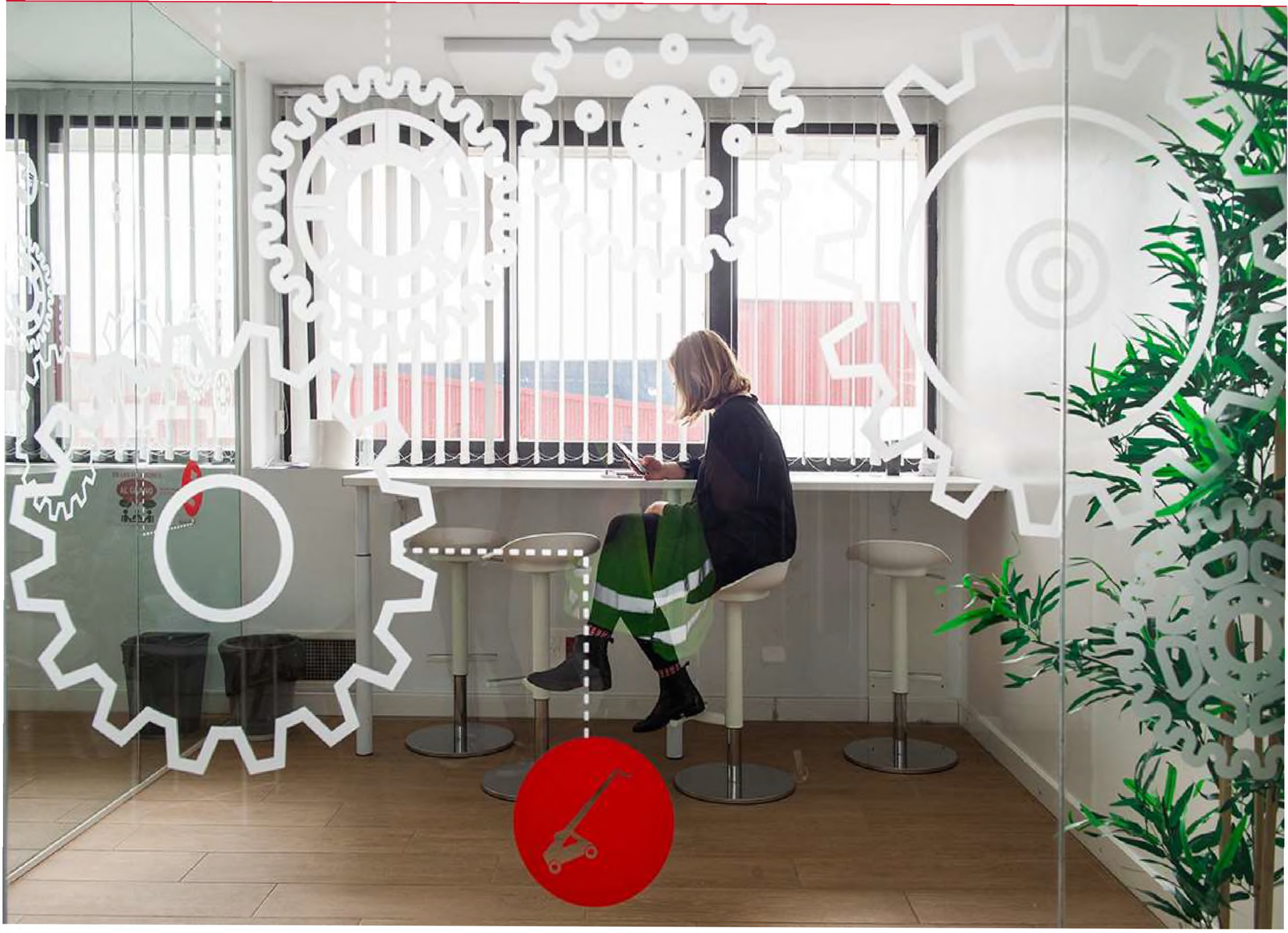
- KIRLEO Trade School for professional training, upskilling and reskilling
- Debate forum initiative on sustainability, innovation and culture **#CharlandoenGAM**
- Solidarity and collaboration projects with the "Bosque GAM" environment

4 Transforming business

- Sustainability as a mainstream cornerstone of business
- Evaluation system to identify the impact of GAM's activity
- Adaptation to the Sustainable Development Goals (SDG) for 2030

The project proposes a system of assessment based on indicators, which allows identifying areas for improvement, highlighting success stores and boosting the continued improvement in terms of sustainability. The teams from each department cooperate with and assist us for the identification of key indicators of each area. This is how basic principles have been established for the development of a very robust assessment system. This information is available at: https://gamrentals.com/es/conocenos/sostenibilidad.

Through the next sections of the Report we will detail the different initiatives and projects under each of those blocks, including a more detailed review for the matters related to environment and human resources.



2 Transforming the business

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Building durable relationships with interest groups

GAM is committed to excellence, transparency and respect to all our interest groups' requirements and expectations. Accordingly, we base our professional relationships on transparency and mutual trust, to stablish long term relationships and deliver quality services.

Interest groups are defined as entities or individuals which may be expected to be reasonably and significantly affected by the reporting enterprise's activities, products or services or whose actions may be expected to impact the enterprise's ability to succeed in the performance of its strategies and in the achievement of its objectives.

For the Company, shareholders and investors play a key role in the economic development of the Company itself. This why the information provided will offer a truthful view of the Company's financial position.

Additionally, we make available to our shareholders a section under the web pare named "Shareholder's forum" and an email account managed from the Financial Department, to answer to any doubts, issues and questions raised by our shareholders.

Capitalization (thousand euros)

118,071	141,439
2022	2021

Maximum share price

1.55	1.77
2022	2021

Number of countries where it operates

10	10
2022	2021

Zero-emission float

79.8%	74.62%
2022	2021

GAM regards **clients** as the main value of the Company. Therefore, our relationship with them is distinguished by education, professionalism and active listening to their needs. This is why we appreciate their loyalty and will always offer them a fair and transparent treatment that is in accordance the needs that must be covered.

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GAM owes its trajectory and relevance to its **human team**. Therefore, part of our success is due to the common philosophy and existing values that are applicable to all the areas and countries where the Company operates, in innovative, dynamic and collaborative working environment where the involvement of the different generations, cultural coexistence, collaborative work and respect for diversity are encouraged.

Local providers at GAM Spain

9%	12%
2022	2021

Our relationship with the authorities is based on mutual respect and cooperation and full and strict compliance with the regulatory framework currently in force. Therefore, we collaborate as it is necessary when we are required to do so.

"Our commitment to the well-being of our team makes us continue to choose and increase indefinite employment contracts"

Indefinite employment contracts

89%	89%
2022	2021

Average of training hours by employee

14.62	13.57
2022	2021

In our effort to maintain friendly and professional relationships and active listening, our **providers** play a key role. This is why we have with them all close relationships based on mutual trust.

Payment of tax on income (thousand €)

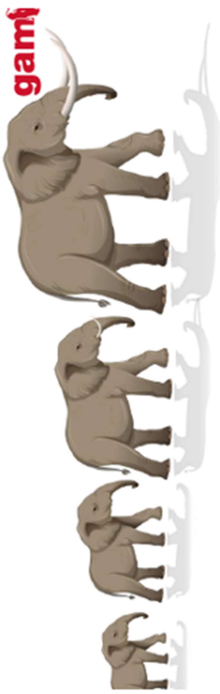
1,806	904
2022	2021

We prioritize boosting the development of the areas where we operate, opting for contribution to the local **community (social environment).**

Identification of material matters related to sustainability

Our model of responsible management is based on the identification of the possible impacts and risks in sustainability that may result from our activities, as well as the impact that the sustainability risks may have on our business. Based on what has been identified, we develop and apply different commitments, policies, management procedures and mitigation measures to act accordingly.

Thus, the conduct of a materiality analysis is key to understand the interest groups expectations, plan an adequate answer and undertake commitments in matters that go beyond finance and are related to environment, society and governance.



Steps followed to establish material matters

1. Identification of material matters related to SDG.
Through the external review (standards, analyst, peers/market, media, regulation) and the internal review (GAM's internal information and requirements submitted by the interest groups), to determine subjects that could be relevant in SDG terms both for the interest Groups and for GAM itself.

2. Valuation of the material matters
To prioritize the matters the Management Committee and those responsible for key areas are asked to make a valuation of the matters concerning:

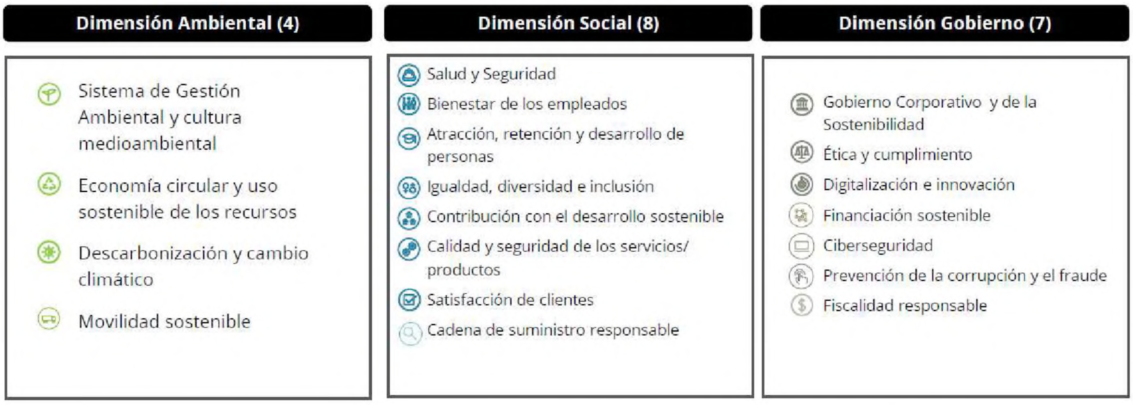
- Significance for the business (related to the achievement of the business plan).
- Reputational significance (related to the reputational impact on the company in terms of foreseeable loss in the interest groups' perception)
- Level of current management of each matter (to identify possible gaps or issues to be re-focussed)

3. Validation

Based on the results from the external review and the assessment of the significance for the business and the reputation, a dual-axis matrix will be obtained:

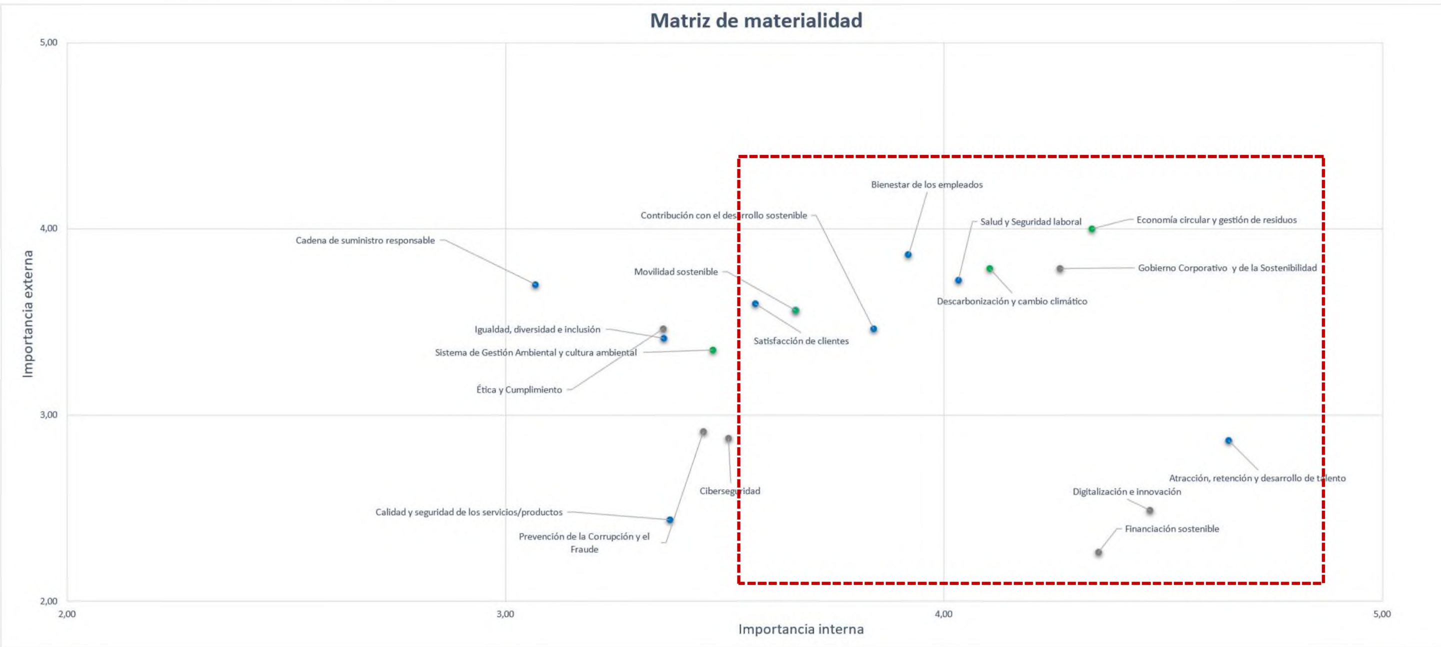
• Significance / priority for interest groups.
• Significance / priority for GAM.

Based on internal and external context review 19 potential material issues for GAM have been identified. They are structured in 3 blocks:



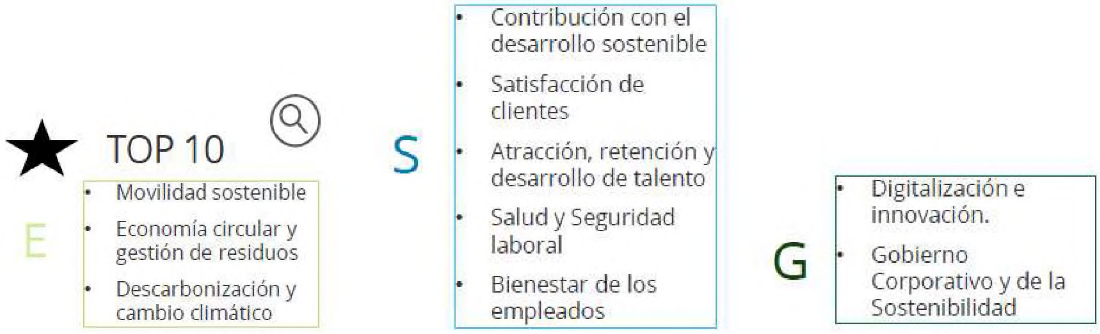
After the obtention of the results, these were analysed and a materiality matrix was created, considering the significance score allocated by the interest groups, as well as the risk level identified by the Group. The scales we have been working with range from 1 to 5, where 1 is low significance or no risk and 5 is highest risk and significance.

Materiality matrix



Conclusions on the materiality matrix

Thanks to the results obtained from the GAM's interest groups, we can identify which issues are key and must be dealt with.



As we can see, and as compared to prior materiality analysis, the interest groups are more critical and there are more differences within each of the issues for assessment. This reality is evidenced by the fact that the results obtained do no longer show an overall convergence in a priority above 3.

❖ **Environment:** The interest groups have highlighted the relevance of sustainable mobility, circular economy and waste management (most important), and de-carbonization and climate change.
Chapter 3: Energy and sustainable mobility
Chapter 4: Circular Economy

❖ **Corporate and employee-related matters:** Under this section our contribution to sustainable development, customers' satisfaction, attraction, loyalty and talent development, health and safety at work and employees well-being has been highlighted.
Chapter 5: Social innovation

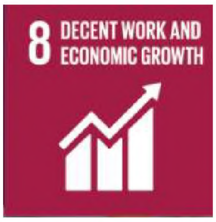
❖ **Governance:** Finally, corporate and sustainability governance is a critical issue for the company. This is why the company has in place a Model for the Prevention of Crime, a Code of Conduct and an Anti-bribery Policy of its own. Further, digitalization and innovation are highlighted, too.
Chapter 6: Corporate governance

This review is a roadmap designed to guide on which must be the relevant matters for the company. Throughout the next chapters we will develop the manner in which the different issues identified as relevant for the interest groups are dealt with.

Our contribution to the sustainable development goals

Our strategy focusses on considering the complexity of the challenges defined by the sustainable development goals, with innovative response and positive impact. In 2022, we deepened in our commitment to the sustainable development goals (SDG) of the United Nations and have launched a plan to boost the SDG that seeks to integrate into the Group's culture the commitment, the diffusion and the action for the purposes of compliance with the global agenda.

These are the SDG we have selected as preferred in this first reflection:



- Promote continued, inclusive and sustainable growth, full and productive employment, and decent work for all women and men.

Chapter 5: Social innovation

- To succeed in having cities that are more inclusive, safe, resilient and sustainable by promoting sustainable mobility.
- Ensure sustainable forms of consumption and production.
- Increase the proportion of renewable energy consumed and improve energy efficiency.

Chapter 3: Energy and sustainable mobility
Chapter 4: Circular Economy

SUSTAINABLE DEVELOPMENT GOALS

Collaborating with the environment

For the Company promoting social and economic progress and growth is important. Thus, the company supports the local entities and collaborates with them, contributing in this way to the generation of wealth in all the places where it operates.

The impact of the activity or our Group on employment and development in the local area, whether directly or indirectly through a network of suppliers and other partners is more than significant, mainly in the area surrounding the head office located in Asturias.

The company has made **contributions to non-profit organizations and sponsored projects and initiatives up to the amount of 267,780 euros (223,300 euros in 2021)**, mainly consisting of the delivery of services offered by the company for different kinds o cultural and sports events.

From its head office, GAM collaborates on an altruistic basis with diverse entities related to culture, education, health and sport, taking part in the institutional campaigns launched by different public or private bodies such as the Community Center of Blood and Tissues of Asturias and the employment forums; offering training internships for vocational training teachers, amongst others. This is the Company's contribution to the development of the area where the Company is more influent, given the recognition it is granted as a company and its visibility at the local level, something which clearly acts as an attraction factor for other companies within its environment.

Main actions carried out in 2022

- Collaboration with the Food Bank in food raising campaigns.
- Support to the promotion and development through the Fundación Princesa de Asturias.
- We are members of the forum "Empresas por la movilidad sostenible".
- Partnership with occupational education centres providing Dual training.
- Aid to Ukraine through the organizations World Central Kitchen and Asociación Viche, by sending a variety of products and making monetary contributions.
- Toys raising campaign during Christmas for the children in Ukraine.
- Creation of the space "Bosque GAM"
- Collaboration with Red Cross

Dual training

During 2021 and 2022 one of the relevant Projects has been the agreement entered with the entity Centro Integral de Formación Profesional (CIFP) Ferroalterra, for the speciality of machinery maintenance.

As the result of this agreement, a total of 12 students from the Centre had training internships in different branches of GAM in Galicia (Ferrol, Pontedeumte and Pontevedra) and Asturias (Granda) through a rotation system that enabled them to acquire knowledge of the systems and operation process of the workshop activity, as well as an over al view of the whole operational cycle of the machinery lease business.

The collaboration also included the supply of didactic material prepared by the relevant responsible experts of the Company, with qualified tutors being commissioned with the task of monitoring the evolution of the future professionals and providing them with the best or their experience.

The agreement led to a second cycle of internships and two of the students became employees of the Company.

Finally, and pursuant to the provisions under section 304 of the Criminal Code, as well as under the Model for the Prevention of Crime, the Company expressly forbids the delivery of gifts or contributions to a political party, coalition or electors grouping, whether by themselves or through an intermediary.

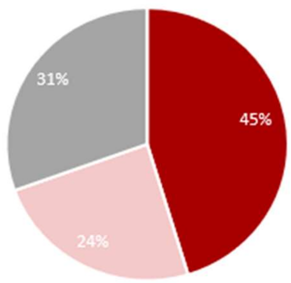
Our management with providers and subcontractors

The largest volume of our purchases concentrates on major machinery manufacturers, who in any case operate at a worldwide level.

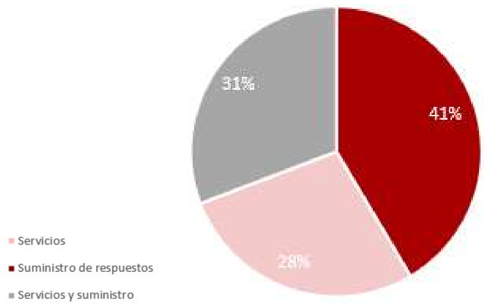
Other than within the said scope, GAM has centralized the management of purchases of most of its spare parts and other minor supplies at its head office of Asturias, from which it encourages the dynamism of local providers, since this involves a contribution to the improvement of the social and labour environment and, at the same time, generates a larger positive impact through the concentration of its operations of purchase and supplies.

It is evident that these policies lead to indirect effects on the supply chain, favouring the development or other companies or the logistics, distribution and local transport sector.

Providers in Spain from whom we bought in 2022: 1,344 providers



Providers in Spain from whom we bought in 2021: 1,314 providers



Throughout the 2022 accounting period, the automation and computerizing project for the purchase process with one or the main providers of spare parts has been stabilized. In 2023 the other main providers will be incorporated in the process.

Further, in 2023 the different processes of the Purchase department will be studied to analyse the feasibility of its automation, whether through RPA or through internal projects.

From the head office, ongoing homologation processes are conducted for spare parts providers, with the quality of the materials received, as well as the efficacy and performance of the relevant provider, being assessed. The homologation process of providers includes training on the handling and the delivery of the purchase orders they receive. Although it is true that it does not yet have a formally implemented audit system for providers, the Company already has in place a system for the detection of any eventual issues that arise during the activity, so these can be addressed immediately.

Currently, efforts are being done to detect the performance in the delivery of materials, and the goal is having the On Time In Full indicator in place in 2023.

Additionally, we have a *"Procedure of Purchases and Providers Assessment"* which enables us to set the general criteria for the assessment and homologation of providers, for subsequent purchases and procurement arrangements of all sorts of products, services and supplies. In terms of sustainability, the Company is not systematically applying said procedure in this assessment. This is an issue that must be improved for the next accounting periods. In this way, a common methodology will be applied, and we will have an overall view of all the providers of the Group,

which will enable the leverage of synergies between companies and the application of sustainability objective criteria. All the Group companies are within its scope of application.

How we manage the relationship with customers

Given the sector where we operate, our business model is one based on a “Business to Business” model mainly developed between companies.

GAM does not have a single system for the management of claims related to the service provided. Any eventual issues may be received directly at the branch offices or at the client service office (number 900 230 022), who will transfer the claim received to the person responsible for addressing it. Thus, we are working on a new model that, further to allowing for an agile and comprehensive answer to any issues, specially focusses on the customer’s experience so that we can be ahead of the very needs of our customers, supported by a central and cross-cutting team.

As to Personal Data Protection, we have adapted our Privacy Policy and its procedures for the management of personal information in all the areas to the current regulations, and no claims have been received relating to the breach of the customer’s privacy or the loss or the data.

We have available a Procedure for Complaints and Claims which shows how to proceed from the receipt of a complaint or claim and the opening of the same until the gathering of information, the assessment and classification of the issue, the recording in our system, the verification, the fixing, the requirement of settlement and, finally, the closure of the issue. During the 2022 accounting period there has been one claim.

3 Energy and sustainable mobility

gam

Main figures and milestones achieved

Zero-emission float

79.8% 74.6%

2022 2021

Electricity consumption (kWh) [3]

2,948,957 2,841,114

2022 2021

Renewable energy in Spain

100% 100%

2022 2021

Diesel fuel consumption (litres) [1]

2,748,105 3,228,624

2022 2021

NOx, Sox, COV (t) [1]

6,8 14

2022 2021

Emissions scope 1 ($tCO_2eq.$) [1,2]

7,581 8,905

2022 2021

Emissions scope 2 ($tCO_2eq.$) [1]

187 170

2022 2021[3]

Environmental management, acting with responsibility

Environmental management is part of the Company Management at GAM, at all levels, and this affects a number of aspects of the same: purchase policy, production, float, technical department, workshop, people and culture, amongst others.

To preserve safety and health and environment, we have an integrated management policy for GAM Spain that, amongst other, sets our form of operation and principles.

The definition, implementation and follow-up of the Environmental Management System by GAM is carried out from the area of Risk Prevention and Certifications of the Company, which reports to the Corporate Management of People and Culture, analysing any impacts detected and providing advice for the implementation and follow-up of actions focussed on the improvement of the environmental management. The Environmental Management System is applicable to all the

[3] Information about Panama is not included because this country is not relevant in consolidation terms.
[2] The consumption of gases for refrigeration is not included.
[3] This data has been modified in relation to the EINF for the 2021 accounting period (210 tCO_2eq) due to an updating of the calculation procedure

business developed in Spain. Only 21% of our equipment for rental releases emissions, and this percentage is decreasing thanks to our giving preference to clean technologies.

We are ISO-14001 certified at the companies GAM España Servicios de Maquinaria and GAM Training Apoyo y Formación. The certification was renewed in 2022, which is evidence of our firm commitment to respect for environment. We seek to gradually extend this certification to other territories and companies of the Group.

Our environmental activity has 6 main goals:

1 Optimization of the consumption of raw materials and natural resources

2 Optimization of logistics processes

3 Energy efficiency

4 Management and recycling of waste generated in production activities

5 Adoption of measures focused on the extension of the life's equipment

6 Reuse and reconditioning of equipment and materials

To see in more detail the activities developed in relation with the circular economy and waste management (01, 04, 05, 06), please see Chapter 4 " Circular Economy"

Actions carried out to promote an improvement in the environmental management

- **Float Management** Renewal of the machinery park. Improvement of efficiency, reduction of emissions and reduction of fuel consumption. Planned replacement of aged and less environmentally efficient equipment.

- **Renewal of the machinery mix.** Progressive substitution of combustion engine equipment by electric impulsion equipment and increase of the park of equipment that is hybrid or has no engine.

Dedicated resources

Currently, we have eight resources in the area of Prevention who closely follow the issues related to environment.

Regarding environmental risks, in general, we establish environmental provisions and guarantees, including environmental issues in the relevant policies of civil liability. See below a detail of the main guarantees and amounts:

- Environmental and civil liability for pollution derived from the machinery rental business activity. Insurances and coverage (sum insured per claim and year of insurance, for each insured centre).
  - Labour accidents due to pollution: Hired
  - Additional activities, including transport: Hired

- Environmental liability insurance:
  - Sum insured per claim, for all the machinery and for year of insurance: 2,000,000 euros.
  - Prevention expenditure and avoidance expenditure: included
  - Primary, additional and compensatory repair expenditure: included.
  - Limit of compensation per employee (coverage of civil liability per work accident): 500,000 euros.
  - Limit for legal expenses incurred by the insured 15,000 euros.
  - Deductible per claim: 3,000 euros.

Contribution to fight against climate change

We have Environmental Management System indicators that allow to analyse the main consumptions of resources and the definition of strategies for the reduction of the same. These are the most important:

(I) Analysis of electricity consumption. Regular conduct of energy audits to encourage and promote actions within the processes of energy consumption that contribute to saving the primary energy consumed and make it efficient.

In this regard, we have established plans for the replacing of lighting in Spain, with the gradual installation of LED technology as preferred lighting.

(II) Analysis of water consumption per country. To enable a comparison the data between the different countries a relationship is established between the consumption-country and the machinery park existing in each country. The resulting relationship is deemed representative, since the main contribution to water consumption in work centres comes from de machinery cleaning operations.

Water consumption (m3)		Ratio water consumption/park units	
20,109	16,928	0.75	0.81
2022[4]	2021[3]	2022[2]	2021[3]

(III) Analysis of fuel consumption. The indicator of the Management System in this case is the consumption of fuel (diesel fuel A) per work centre (defined in terms of litres purchased/year per subsidiary/centre). This is to get an insight on the consumption patterns, analyse the year-on-year variation of consumption and, if applicable, define the strategies for its optimization.

(IV) Analysis of the source of the electricity consumed, based on the national energy mix.

The total of the renewable energy consumed in Spain is from a renewable source. Currently, this is only monitored in Spain. However, we are weighing the adoption of measures that enable us to carry forward the rating of the energy consumed in all the countries where we operate.

We have started with a project for the calculation of the emission of the greenhouse effect gases (GEG) and the certification of emissions, which will allow setting goals for the reduction of the same.

Additionally to the aforesaid analysis, we have defined indicators that enable us to get information about the impact that GAM activity might have.

a. Calculation of the emission of pollutant substances derived from the use of fossil fuels NOx, SOx, COV
b. Carbon footprint An estimation is made of the emissions resulting from the consumption of both electricity and fossil fuels. (Scope 1+2).
c. Our emissions' certification goal for the future 2023 accounting period in Spain.

[4] Water consumption in Panama is not included because this country is not relevant in consolidation terms. The information about Spain results from an estimation of the total consumption in relation with the consumption in the Asturias site, because this one is the most representative. The information about Chile is estimated in relation with the number of units in the machinery park.
[3] Data recalculated on the basis of the criteria used in 2022.

“In the 2022 accounting period we have continued with the “Embracing Sustainability” project, which, amongst its objectives, includes actions associated to the reduction of the climate change impact.”

Inquieto Moving Attitude, Last Mile

The “Last mile” or “Last km” consists of the delivery of goods to the end customer, and this is the most complex stage of the whole process. The growth of e-commerce at rates above 30% means the apparition of a new kind of consumer, one who wants to receive his or her order as soon as possible and without any issues. Thus, we seek to offer delivery solutions with a differentiating key feature for both vendors and their providers. This is Inquieto, a wholly owned subsidiary of GAM created in September 2020.

The addressed this area to offer solutions that do not limit to make the delivery of the goods easier and offer new processes. Achieving healthier cities, reducing traffic congestion, avoiding pollution and nuisances to citizens and offering them free space and making deliveries enhance the user experience are some of the goals behind this new business solution. It’s the time for people to start recovering their urban environment and having healthier cities.

We have a pioneer service in sustainable delivery transport through zero-emissions vehicles and a very low noise footprint, and we are ready for the new mobility in towns and cities with experts specializing in the logistic needs of each sector. For GAM this is important, and we do efforts to find the suitable team to optimize the routes of our consumers.

With this vision, we intend to go one step further, developing services for hubs (intermediate distribution centres), disruptive technology for the optimization of the entire logistic process through the design, installation and maintenance of such hubs outside the urban service.

❝ New delivery model for a more efficient operation❝

- By achieving a higher performance of the resources, reducing the means of transport that generate pollution.

- Helping to take care of the environment. And the motto is as simple as “fewer emissions, fewer residues”.

Zero-emission vehicles placed in the market[1]

604	1,131
2022	2021

Our commitments

With cities and citizens
Our vehicles are zero-emission and have a very low noise footprint. The goals are: having healthier cities, reducing the traffic congestion and provide citizens with free space.

With customers
We offer end-to-end solutions to optimize last mile mobility and to outsource the risks associated to float management. Always under the principles of expert advice and high quality service. These solutions use advanced technologies to face the main challenges of the last distance.

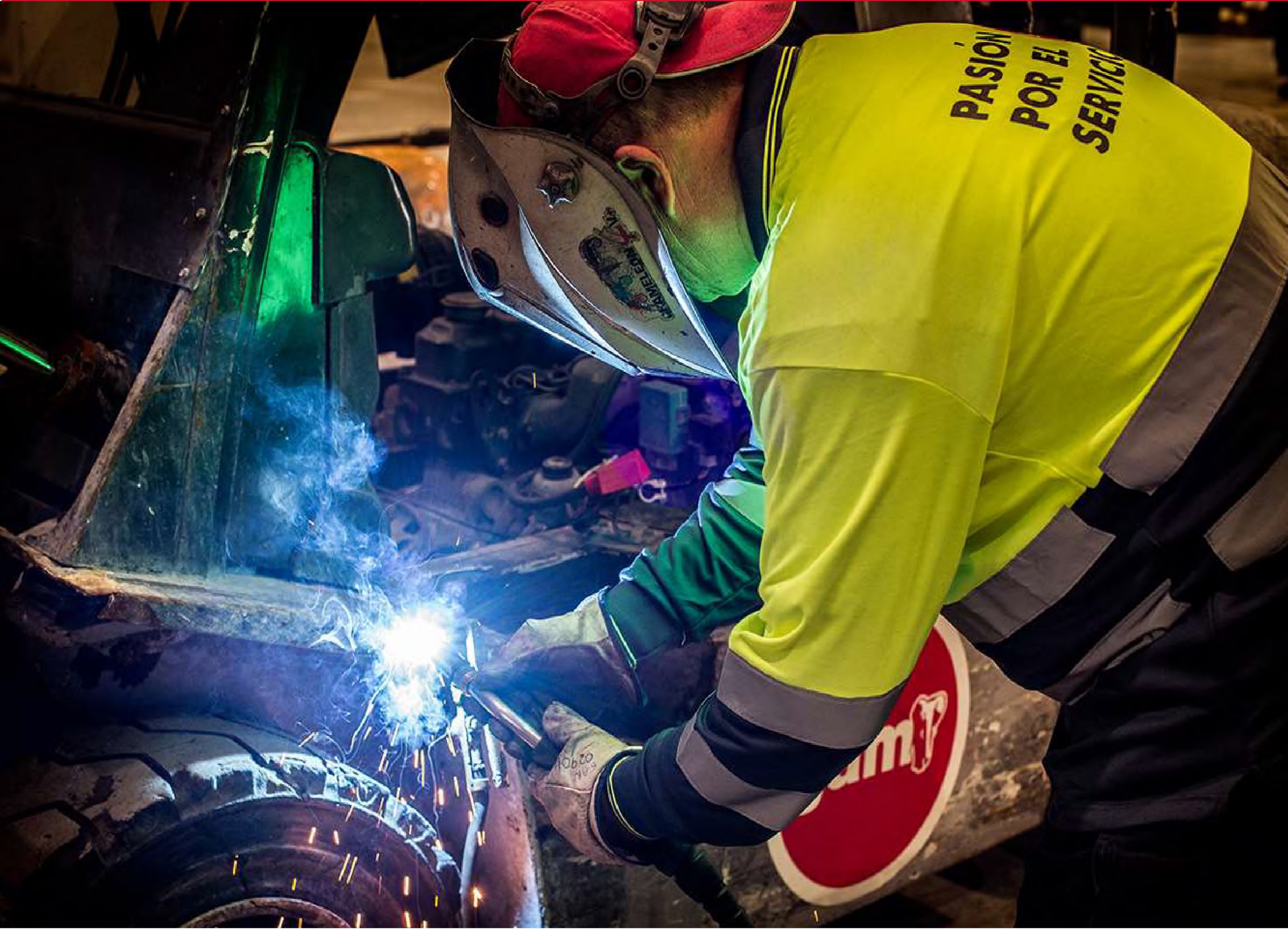
With the drivers
These vehicles have been designed keeping in mind the confort and the safety of the drivers. In addition, no specific training is required for driving and using them.

[1]Spain and Portugal market

Option for the energy transition with self-consumption facilities

The company, when choosing the energy transition, has opted for self-consumption facilities. This is why we have assembled almost 400 phovoltaic panels in our head office of Granda (Asturia) and in the branch located in San Fernando de Henares (Madrid), which we seek to extend to other facilities of the company.

For this installation, we have partnered with the multi-energy company TotalEnergies.



4 Circular economy

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

Main figures and milestones achieved

Total of hazardous waste managed (t)		Revaluated waste[1]	
453	319	92%	91%
2022	2021	2022	2021

[1]Scope Spain

Working on the detection of impacts and solutions associated to circular economy and waste management

Detection of impacts

The foreseeable impacts for environment, derived from the business activity, are mainly framed in the consumption of raw materials and energy, the production of waste derived from the activities of repair and maintenance of machinery and the pollution of soil and water derived from accidental spillage of chemical substances (mainly hydrocarbon).

Said effects are included in the procedure of identification and assessment of environmental issues under the Management System.

Amongst the likely environmental impacts the following must be mentioned:

I. Consumption of raw materials and energy derived from the activity carried out by GAM in its work centres.
The main measures associated to the prevention of this impact are:

  1. Ongoing improvement of the procurement policy, focussed on the reduction of the consumption of the products and raw materials acquired.

  2. Better performance of the processes requiring consumption of raw materials and energy resources.

II. Pollution of soil and water as the result of eventual accidental spillages of contaminating products in own and third-party working facilities, as the result of GAM's activity.

The main measures associated to the prevention of this impact are:

  1. Use of means of storage and transport of oil products, homologated, equipped with safety measures that are adequate to the nature and the size of the stored product.

  2. Regular maintenance and reviews of the storage tanks in accordance with regulatory requirements.

3. Implementation of internal working procedures and approaches that require regular verifications of the means used for the storage and transport of oil products, as well as the provision of emergency means to be used in the event of an environmental incident, spillage or leak, etc.

III. Generation of hazardous waste, as the result of GAM's activity.

The main measures associated to the prevention of this impact are:

1. Compliance with mandatory legal requirements on the management of waste generated in accordance with the regulation that is applicable at the locations of the different centres.

   - Hiring of authorized waste managers for the removal of the waste generated at each of the work centres.

   - Adequate separation and storage of the waste at the work centres, assigning specific areas for this purpose, separate from the activity areas and conditioned in a manner that allows to avoid incidental spillage from the same.

2. Providing the machinery cleaning areas with means for the separation of physical pollutants, solid decanters for sand and sludge and separators of hydrocarbons from the waters resulting from the machinery cleaning processes.

IV. Pollution of soils and waters as the result of accidental spillage or polluting products during the conduct machinery or equipment transport operations.
The main measures associated to the prevention of this impact are:

1. Adoption of measures focussed on granting safe transport of the equipment that is likely to generate spillages during the transport.

   - Use of containers, tanks and cisterns homologated for the transport of fuel (diesel fuel) by road, provided with safety elements to prevent spillage, vents and safety valves, etc., adequate to the nature and amount of the stored product.

   - Establishment of approaches for te conduct of prior verifications in the operations of load and download of transports with hazardous goods. Selection of carriers based on the characteristics of the products to be transported.

   - Establishment of secure procedures for the stowage of the machinery and other items to be transported.

2. Compliance with the obligations under the regulation on road transport of hazardous goods (ADR).

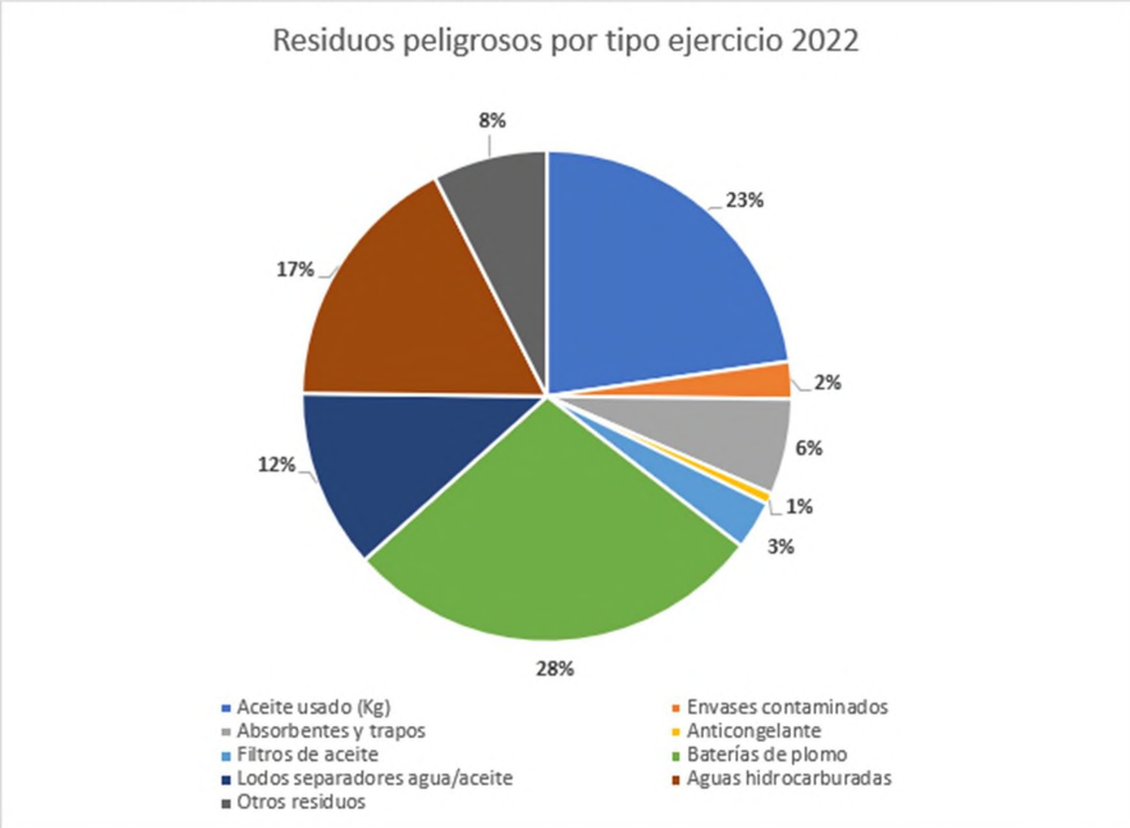
Actions related to circular economy and prevention and management of waste

GAM's environmental performance focusses on both the analysis of the foreseeable impacts and the definition and execution of solutions associated to the presence of some of the identified risks.

The generation of waste is a direct consequence of the activity developed by GAM, who, being aware of its obligations, develops different actions at an international level focussed on strict regulatory compliance and the minimization of the environmental impacts that its activity might generate.

In this regard, GAM:

- Has in place agreements for the management of hazardous waste in its centres with entities authorized for the handling thereof, in accordance with the regulations currently in force at each of the locations.
- Performs an adequate processing of the waste generated, which includes the storage, segregation at source and delivery to an authorized handler who will proceed to the relevant processing depending on the characteristics of the waste and preferring revaluation of the said waste to the disposal thereof.



See information of the waste, based on the weight in tonnes, for the 2022 and 2021 accounting periods. Annex 1 - Table 1.

From a straight line economy to a circular and collaborative economy

At GAM we are strongly committed to environment, clearly seeking to preserve the environment with higher performance in the investment of resources, improving the service to customers and keeping the commitment towards our shareholders, employees and members.

Sustainability, whether towards the economy, the environment or the society, makes us take decisions and actions that do not involve a charge for future generations, ensuring welfare in all the terms above mentioned. Thus, we do efforts to improve our production and financial processes, to be more efficient and to optimize all the resources that are available to us.

As already said in the previous chapter, at GAM we have chosen an end-to-end sustainability project that includes projects or activity lines such as the creation of Inquieto or the

remanufacturing plant of machinery, which seeks to reduce the environmental impact by decreasing the production of new machinery and the use of resources.

Remanufacturing project

Throughout the last years we have been aware of the large amount of waste we generate, as well as of the continued increase of consumption, the scarce use of recyclable resources and the high cost of manufacturing. A way is needed to close the circle of useful life of machines and equipment in an environmentally friendly way, promoting their reuse and the circular economy, seeking compliance with the new European policies on reducing landfill disposal rates. Thus, and to fight pollution and the depletion of raw materials, we have developed a comprehensive recycling project for machinery.

This project is framed under the program Embracing Sustainability by GAM, within the specific block associated to circular economy as “initiatives for the reconditioning and recycling of machines and parts to achieve a responsible use of materials”. Ultimately, the project intends to give machinery a second life and, therefore, achieve a lower and more efficient use of material resources and a transition to a circular economy, encouraging circular economy through the reconditioning machinery of parts recycling with a sustainable business model.

eit InnoEnergy
Knowledge Innovation Community

This project will contribute to the creation of employment and to the reduction of waste generation. Each machine reaching the end of its useful life will be reviewed for the purposes of re-use and re-launching to the marketing. The idea, provided by an interdepartmental working Group, proposes different ways for the remanufacturing of equipment.

MACHINERY REMANUFACTURING PLANT

The beginning of operations at the plan is expected for October 2023, following to an ambitious and complex Company’s engineering development, with the works for the adaptation of the facilities beginning in October 2022.

When equipment has been identified as re-manufacturable, such equipment will be transferred to the area for storage of machinery for remanufacturing.

The first stage of the process consists of a full technical inspection of the machine condition, identifying those parts that are more impaired and all the issues that may be found in the equipment. These will be recorded so that the operators of the different work stations have an accurate view of the work to be done. Before the start of the disassembly process, the equipment

goes through an intensive cleaning process. Next, it goes to the disassembly stations, with each part of the machines being sent to the corresponding work station. There, each part will be thoroughly examined. The first of the disassembly stations will be that for the disassembly of the mast. The mast and the body of the machines will go under separate disassembly lines. Each part will be sent to the corresponding work station. In the case of the mast, the disassembly of hoses and mechanical parts will be carried out for the remanufacturing and/or disassembly thereof. Likewise, its external parts will be blasted and painted. Subsequently, hoses and mechanical parts will be assembled again, and the mast will be transferred to the storage area where it will be kept until it is assembled in the equipment that needs it. Regarding the body of the machines, the chassis, the bodywork, the wheels and other external elements and mechanical components well be sent to different work stations. Generally, in the work stations for external elements, there will be less work to do. The bodywork will be blasted, repaired and painted if needed, and the wheels and the seats will be replaced. The largest allocation of personnel will be for the work stations working on the mechanical area.

These work stations will take care of the following:

- **Engine check and exhaust fumes inspection**: The drive unit will be examined using state-of-the-art diagnostic equipment. In this way it is possible to ensure full engine power, operational safety and compliance with current exhaust fumes regulations. These workstations will be provided with specific equipment for the management of removed lubricants.
- **Battery and charger check**: The engine and the battery are the core element of these vehicles. Therefore, both elements require thoroughly testing to ensure that they deliver the required performance. Otherwise, the technicians shall completely replace the battery elements.
- **Checking of mechanical and electrical components**, in particular all parts that are relevant for safety purposes.
- **Inspection and replacement of hoses and wiring.**

At these stations, all worn parts in the machine will be replaced, with both new spare parts purchased from external suppliers and remanufactured parts from the plant's own spare parts line, thus furthering the goals or circular economy. Specialized technicians examine and repair the spare parts in our auxiliary workshops and certify the good working order of the spare parts. Those spare parts for which properly working can not be guaranteed will be discarded and treated as waste in the annexed plant, for which we have the certification of a Waste Management Centre approved by the Junta de Castilla y León. Further, each workstation will be connected to the plant's computer network and the operators will have an access point to the system that will allow them to know, at all times, the status of the part of the machine on which they are working and the work to be carried out on it, as well as to record the new status once the work has been completed. This is how the company will have real time information about those machine plant waiting for the remanufacturing process, about those machines that already are at work stations and the progress made in them, about the inventories of spare parts in the warehouse and about the inventories of remanufactured machinery.

After completion of the work on both lines, the parts go to the assembly stations, from where the remanufactured equipment leaves with the reconditioned masts already assembled.

Finally, a quality control team will inspect the machines by completing a full check list of the same, thus ensuring that all the worn pieces have been replaced and that the equipment is in best working condition. In this case, a certificate of conformity with the applicable ISO standards will be issued, and the corresponding inspection plate will be placed on the equipment indicating the year of remanufacture of the same. The remanufactured and certified machinery will be sent to the machinery storage area until it is sold.

REMANUFACTURED SPARE PARTS AND SUB-PRODUCTS PLANT

The plant began operations in September 2021. Currently, it has 6 employees and exceeds the targets set for the sales of year 2022 established under the BP.

Those machines that arrive at the plant and which, either because of their condition or because of the type of machine, are not technically or economically viable for reconditioning, will be dismantled to extract from them all those parts in good condition that can be marketed as second-hand or reconditioned spare parts, in addition to supplying the machinery remanufacturing plant.

In this line of business, the company considers three types of spare parts:

- **Reusable spare part:** This spare part is taken directly from an original machine that was working at the time it entered the plant. The spare part is then reviewed and offered for sale without any improvements being required. It would be sold directly to the customer with a replacement guarantee in case of any issues arose.
- **Tested spare part:** This spare part for which functioning has been inspected. Attached to the spare part there is a detailed report on its condition, specifying whether it has any limitations.
- **Remanufactured spare part:** Spare part reviewed and reconditioned to expand its service life.

Sub-products: Additionally to the products included in the two said business lines, in the dismantling of machinery, both for the use of spare parts and for the remanufacturing line, a series of sub-products will be generated, such as: batteries, iron, lead, rubber, copper, aluminium or plastic. This sub-products will be collected for subsequent removal by waste managers, either with their own market value (iron, copper, lead, batteries...) or with their removal entailing a cost for the company. Besides, the batteries removed from the machines will be sold to companies specialized in the recovery of this equipment. This line of sub-products will be a source of business diversification for the company in the next stages of its life cycle, and in the future the company will study the possible economic viability of starting up new rubber or battery recovery lines.

5 Social innovation

People and Culture, our raison d'être

Preparing an organization to face both present and future challenges requires identifying the best talent, whether internal or external, while making sure that such talent is the best reflection of our plural society and ensuring an adequate management of the knowledge already existing.

GAM's culture, understood as a habit, is based on key concepts such as leadership, i.e. a sense of responsibility to carry out projects from start to finish; collaboration as teamwork adding collective intelligence and using common methodology that maximizes the efficiency of the organization and its processes.

The policies in the area of People and Culture of the Company must be understood within the framework provided by the Code of Conduct, which, as one of its core principles, includes the protection, development and professional growth of the people working in the Company, based on the recognition of the value they contribute; all from a perspective where diversity in its broadest sense is one of its basic pillars.

Taking this inspiring principle as a departure point, guidelines for behaviour are developed in areas such as recruitment and promotion, training, moral integrity and occupational health and safety.

PEOPLE

"Normal people doing extraordinary things"

- Pedro Luís Fernández, CEO of GAM

Main figures and milestones achieved

Workforce at the end of the year

2022	2021
1,333	1,150

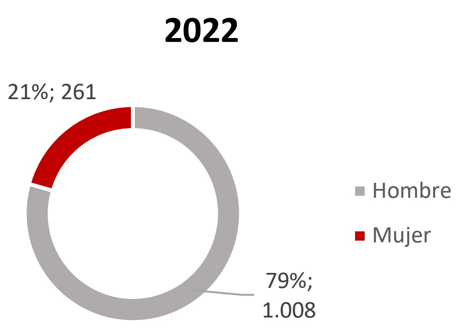
Average remuneration (in euros)[1]

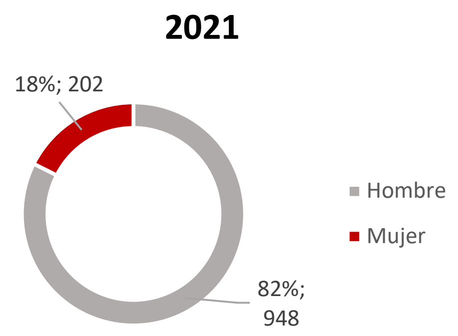
2022	2021
28,683	26,966

[1]These are not included in the GDH analysis

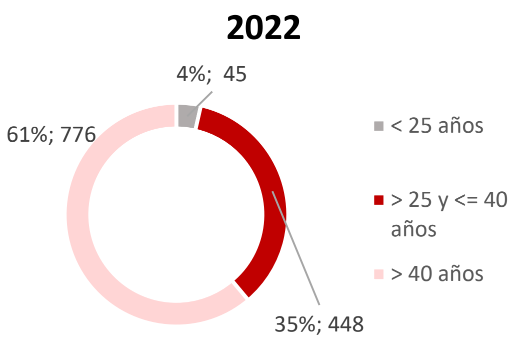
Employees at the end of the year

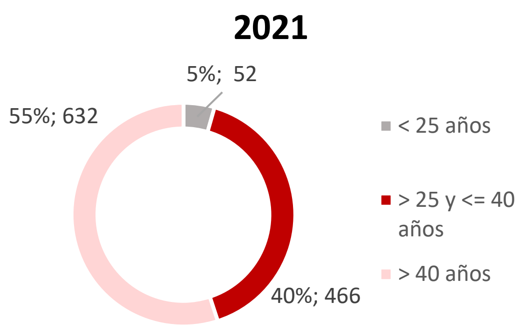
Distribution by gender: The number of employees increased in 2022, mainly female employees. In 2022 female employees stood for 21% of employees (18% in the previous accounting period). The largest increase was in Spain *(see table below broken down by countries for 2022 and 2021 in Annex 2 - Table 1).*





Distribution by age: the increase in workforce has affected those over the age of 40. They stand for 61% of all the current employees (55% in the previous accounting period).





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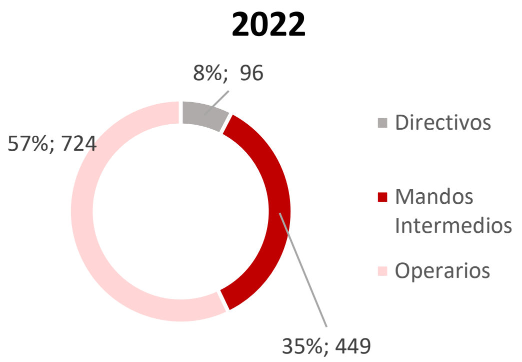
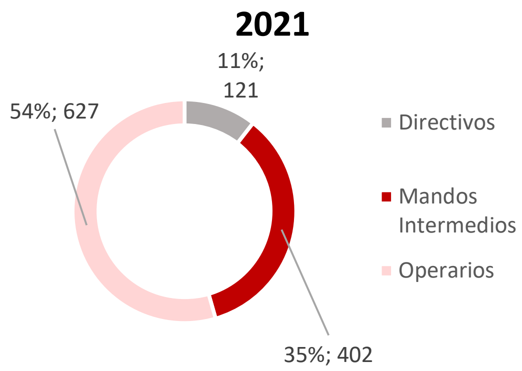
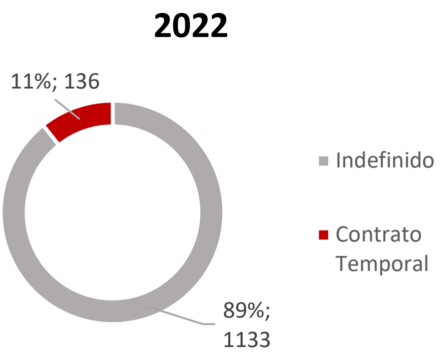
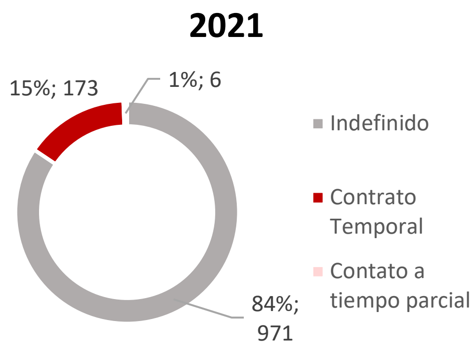
Distribution per professional category: the people who entered the company mainly did so as operators, which means an increase by 3%. The number of employees in middle management has also increased, but the percentage has remained unchanged. Finally, the category of management has reduced by 3%.





Distribution per type of contract: For another year, the number of indefinite employment contracts has increased. In 2022 these affect 89% of the workforce; 5% more than in the prior accounting period.



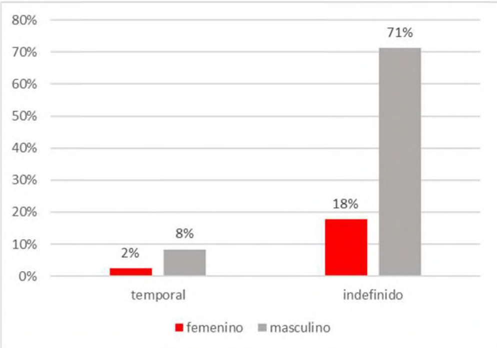


Average number of contracts per type of contract and broken down by gender[1]. A decrease is observed in the number of temporary contracts as well as an increase, both for male and for female employees, in the number of indefinite employment contracts *(see table below in absolute*

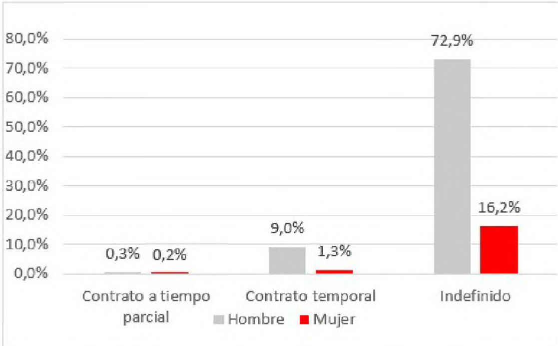
values, broken down by ages for 2022 and 2021 in Annex 2 - Table 2; with gender break-down in Annex 2 - Table 3).

"We choose indefinite employment contracts to contribute to the wellbeing of our employees, as a reflection thereof, we see that the weight of this type of contracts is continuously growing"

2022

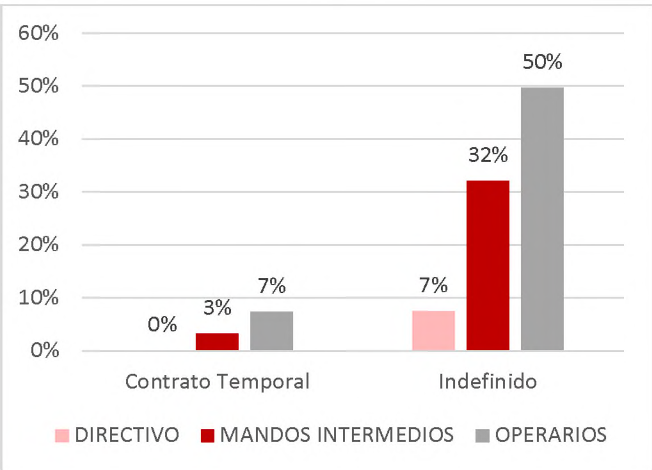


2021

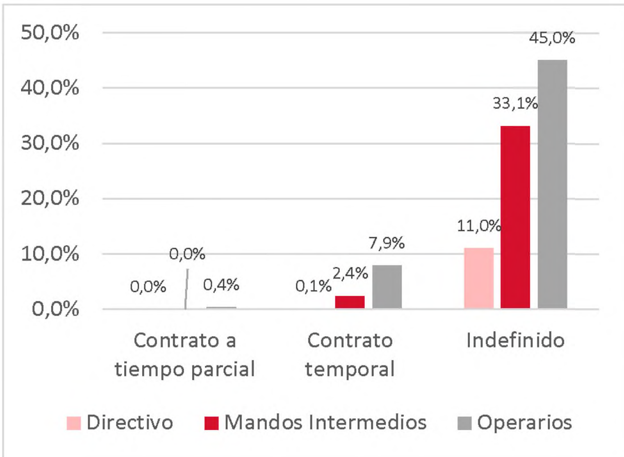


Average number of contracts by type of contract and disaggregated by professional classification *(see detailed table in absolute values for 2022 and 2021 in Annex 2 - Table 4).*

2022



2021



Average remunerations (en euros)

Average remunerations by gender	2022	2021
Male	29,226	27,465
Female	26,318	24,497

Average remunerations by age bracket	2022	2021
< 25 years	21,491	19,024
> 25 and <= 40 years	23,294	22,063
> 40 years	32,606	31,464

Average remuneration by professional category	2022	2021
Senior officers	60,556	52,515
Middle management	27,323	26,573
Operators	25,447	22,687

The weighted percentage difference by professional category between men and women in 2022 was 8.86% (in 2021 it was 6.13%). The calculation for 2022 takes into account the fixed and variable salary portion of the entire workforce for the year.

The Company plans to conduct a more detailed study of the remuneration scheme to ensure fairness based on objective criteria linked to the level of responsibility and scope of the different positions.

Currently, the Company does not have pension schemes, although in Spain it offers its employees a flexible remuneration formula whereby, at the employee's choice, a percentage of the salary can be used to subscribe to the following options: medical insurance, childcare vouchers, restaurant vouchers or individual training. During 2022, the total number of employees who have benefited from this remuneration system amounted to 187 people, which meant 15% of the total workforce of the Company (177 people in 2021, that is 16% of the workforce).

The treatment of the remuneration paid to directors of the parent company meets the criteria of transparency that are applicable to it as a listed company. In this regard, the details and individual breakdown of the conditions for the Group of directors are reflected in the Annual Report on Directors' Remuneration prepared for this purpose and published in accordance with the regulations in force.

Note, - For all the indicators corresponding to this section, except for the personnel data as of year-end that are reflected on page 39, the company GDH has been excluded.

Corporate relationships at GAM

Corporate relationships

In Spain, the entire workforce is covered by the collective bargaining agreement applicable to its sector in each province, except for the branch office in Toledo, where the Workers Statute (Estatuto de los Trabajadores) applies. The company operating in the Basque Country has its own collective bargaining agreement. In the case of the subsidiaries, the employees are not covered by any collective bargaining agreement, but the relevant national labour law applies, with the content of the individual provisions being strictly observed in all cases.

The Company maintains open and regular contact in Spain with the 22 trade union representatives currently represented. These are informed, either in person or through the

established communication channels, of any relevant changes or new developments that may impact operations. The same applies to prevention delegates for safety-related issues.

In other countries, the Company is governed by its own labour legislation in force and dialogues with the bodies and committees to which each legislation confers such powers.

Work organization

Due to the activity carried out by the Company, there are no work shifts, except where the service contracted by a client in the industrial sector so requires.

Therefore, the working day is compliant with the provisions of the corresponding agreements and applicable labour regulations.

The absences recorded during the year 2022 were due to accidents or common illness.

Absenteeism due to occupational contingencies	Male	Female
Absenteeism rate 2022	0.7%	0.07%
Absenteeism rate 2021	0.5%	0.03%

Absenteeism due to common contingencies	Male	Female
Absenteeism rate 2022	1.24%	0.36%
Absenteeism rate 2021	2.59%	2.50%

(Rate in both cases calculated for Spain based on the number of days of absenteeism for this reason in relation to the number of calendar days, taking into account the average workforce for the year)

There have been no cases of occupational diseases during the accounting period 2022 and 2021.

Training for employees, as well as their remuneration are clearly focussed on enhancing the efficiency of the working day and on boosting the Company's competitiveness in relation with its direct competitors, regardless of the gender or any other feature that does not exclusively relate to professional criteria.

Some of the training activities are mandatory, required and regular, such as safety, occupational risk prevention and environmental training.

In the past accounting period 2022, the practice of making working hours more flexible to facilitate the balance between work and family and personal life continued. Within the next accounting periods, the Company will address the development of a policy of disconnection from work.

Depending on the specific needs of the employee, periods of sick leave, pregnancy periods, maternity/paternity leave and breastfeeding leave, as well as any other circumstances that may be considered, will be respected beyond the applicable legislation in force.

With regard to the process of adapting to the needs of the labour market, provided that production and organizational needs allow it, the Company enables remote work, as well as flexible working hours in special circumstances associated with family responsibilities (either due to dependent children or dependent ascendants).

In 2022, 43 persons (11 men and 32 women) were granted a reduction in working hours for childcare.

Note, - For all the indicators corresponding to this section, except for the personal data as of year-end that are reflected on page 39, the company GDH has been excluded.

Continuous learning environment

GAM is a company that offers professional development opportunities by establishing different challenges to improve skills within the company, linked to training plans that are subject to regular review and assessment.

GAM wants to ensure that its professionals have adequate training to be more efficient in their work. Thus, and in collaboration with the relevant departments, we conduct a diagnosis of training needs to achieve greater professional qualification and develop skills that will lead to individual and collective improvement.

"We develop projects with agile methodologies, listening to all parties involved with multidisciplinary teams thus generating a continuous learning environment"

GAM's Code of Conduct considers people as an indispensable pillar of the company's own success. Therefore, GAM promotes the professional development of people, taking into account the possible balance between business objectives and the needs and expectations of employees.

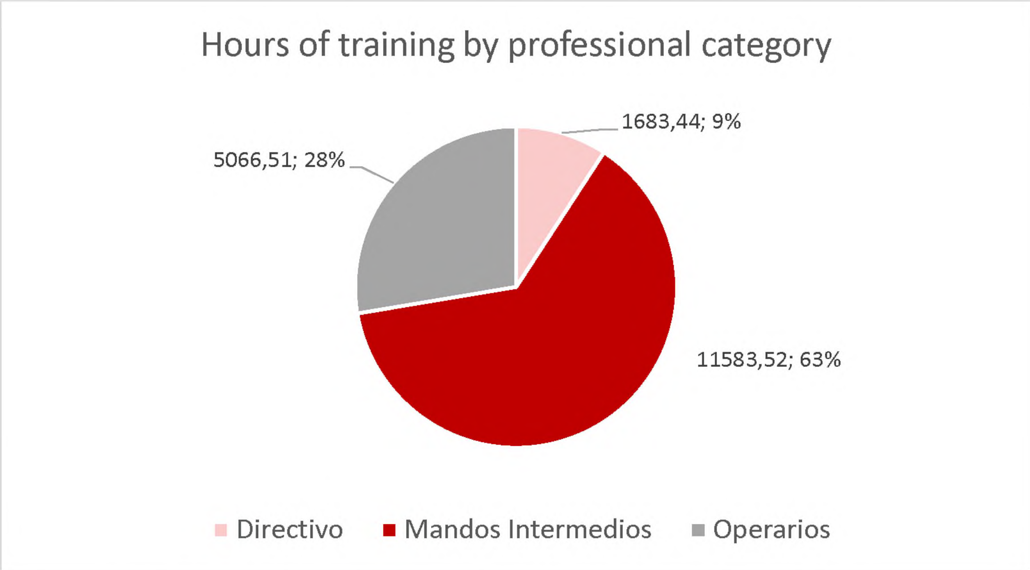
Further, GAM encourages the permanent adaptation and improvement of the competences and skills of the entire organization by providing its employees with the necessary training tools for the development of their professional skills.

Based on the training record of previous years and in coordination with the departmental heads, an assessment of the training needs is carried out. After identifying the needs, we draw up an annual training plan and a calendar.

Currently, we are currently implementing a performance assessment platform, where, apart from detecting more general training needs related to the job, we can focus on the development of skills for each individual employee.

In addition, the Company ensures that training not only reaches all categories of employees, but also that most of the training activities are imparted during working hours in order to preserve the work-life balance of its employees.

Most of the 2022 training was aimed at people working in the Iberian market (Spain and Portugal), and, for the coming years, the Company's intends to extend it to the rest of its subsidiaries.



See detailed table of training hours for 2020 in Annex 2 - Table 8.

GAM takes special care in offering training opportunities to young people who are either still in school or have recently completed their studies.

This is why the company offers scholarships and internships in most of its centres in Spain, for students both from universities and from vocational training centres in all specialities related to business activity.

Throughout 2022, a total of 37 people (43 people in 2021) undertook training placements at one of the GAM's branches in Spain, especially at the headquarters because of the capacity of the facilities and the diversity of functions and departments existing there.

Of these people, 78% came from vocational training centres specializing in electromechanical maintenance, administrative management, lighting, video and sound; 22% were undergraduates of engineering and business administration. The average length of stay in the company was 6 months.

Note. - For all the indicators corresponding to this section, except for the personal data as of year-end that are reflected on page 39, the company GDH has been excluded.

Equality and diversity

Accessibility

The Company does not have in place a specific policy aimed at the integration of people with disabilities beyond the principles on which the Equality Plan subscribed to by the Management is based.

GAM currently employs 6 people with disabilities in Spain.

For the purposes of compliance with current legislation in Spain, the Company complements the percentage established in the General Disability Act (Ley General de Discapacidad) with the adoption of alternative measures validated with the relevant certificates of exceptionality. These measures consist mainly of the procurement of materials and/or services from special employment centres.

Equality

The Company is compliant with current legislation on Equality, having adapted the initial plan to the new legal requirements, highlighting in any case the firm commitment to the establishment and development of policies that integrate equal treatment and opportunities between men and women, without discriminating directly or indirectly on the grounds of gender. The Company promotes and encourages measures to achieve real equality within the organization.

The company is committed to the establishment and development of policies that integrate equal treatment and opportunities among different Groups, ensuring that recruitment, hiring and promotion processes do not depend on discriminatory practices based on gender, religion, nationality, age, etc.

The company has a detailed Action Plan that has been agreed with the legal representatives of employees, an essential participant in the proper monitoring of these policies.

Further, section 3, on Standards of Behaviour in the area of People and Culture of the Code of Conduct, includes a section about staff recruitment and professional promotion (point 3.13.1): “GAM shall avoid any form of discrimination against its employees.”

The Company strongly rejects any behaviour involving sexual harassment and gender-based harassment. Section 3.13.4 of the Code of Conduct states as follows: "GAM shall guarantee the right to working conditions that are respectful with the dignity of the individual.” Therefore, GAM will protect employees against acts of psychological violence and will fight against any attitude or behaviour that is discriminatory or harmful to the individual, and his or her convictions and preferences.

GAM shall take the measures required to prevent and, where appropriate, correct sexual harassment, mobbing and any other form of violence or discrimination.

Promotion and professional development

Internally, in the past accounting period 2022, the work initiated in the previous year was resumed. It had to do with the identification and development of internal talent with the aim of matching professional careers and personal interests with the opportunities and positions being generated. In this last aspect, we continued to work on the enhancement of the tool to facilitate the process of transparency and communication of these opportunities at a global level.

Externally, the selection systems are particularly careful to respect diversity. However, it must be admitted that, given the sector and the geographical area where GAM operates, the incorporation of certain Groups is complex, as is reflected in some of the tables included in this document.

GAM has in place internal standards for the process of access to the company recruitment in an objective manner, ensuring, through different control points, that the process is carried out in a neutral and equal manner. The selection process includes two phases: a first one, through the involvement the People and Culture team, responsible for assessing the personal scope and the alignment with the company's values; a second one, with the Managers of the operational areas requesting the resource and mainly focussing on assessing the capabilities of the different departments.

It should be noted that X has a "Welcome Manual" through which the first day in the employment for the different employees is easier. In it, the employees have the most relevant information: Introduction to GAM, GAM Culture, Code of Ethics, Anti-Corruption Policy, Awareness of social benefits and communication channels.

Our culture of talent promotion and retention entails involving teams in the development of internal projects right from the beginning. Recently, these projects have had a strong impact on the company and have enabled people to develop new skills and consider new opportunities and careers at GAM.

Implementing measures to ensure health and safety of our employees

The Company is aware of the risk associated with both the activity it carries out and failure to adopt healthy lifestyle habits.

Besides, despite understanding that the responsibility for acquiring and maintaining healthy lifestyle habits is entirely individual, the Company acknowledges the need to facilitate and promote awareness of the benefits of such habits for the employee, their family environment and, hence, their working life.

The Company has an Occupational Risk Prevention department responsible for overseeing the safety conditions of its work centres and workplaces.

During 2022, the Health and Safety Management System was audited in accordance with ISO 45001:2018 for the following Group companies: GESdM and GTAyF, with the scope of their central offices located at Carretera Tiñana, nº1, 33199 in Granda, Siero, which join the audit and renewal of the certification according to OHSAS 18001, existing in Aldaiturriaga.

A regular analysis of the accident rate is conducted as a relevant indicator of the Management System.

The following accident rates are assessed as indicators of the system, which, on a consolidated basis, result in the values below:

Incidence rate *(number of accidents with sick leave per 1000 employees)*

57.6	52.5
2022	2021

Frequency Rate *(number of accidents with sick leave per million hours worked)*

32	29.2
2022	2021

Severity Rate *(number of days lost per thousand hours worked)*

0.8	0.8
2022	2021

See detailed table of claims by gender for 2022 and 2021 in Annex 2 - Table 9).

Note. - For all the indicators corresponding to this section, except for the personal data as of year-end that are reflected on page 39, the company GDH has been excluded.

Training as a vector for future growth

As an evolution of its training area, at the end of 2021, GAM launched KIRLEO, its School of Trades. KIRLEO seeks to take non-formal vocational training to another dimension through innovative tools that improve students' performance and enhance highly demanded professional skills.

This is how we seek to respond to the needs stated by our clients and to the opportunities in the vocational education market, which show a lack of qualified technical experts with up-to-date knowledge in line with the increasingly unpredictable demand in the industrial world. Additionally, it copes with the constant transformation of technologies by facilitating retraining and the continuous acquisition of skills within the same job, or reskilling, as well as the acquisition of new skills, or upskilling.

Kirleo's programmes adapt to the new demands for shorter and faster training and are aimed at trades where there is a large labour demand, but still little educational offer adjusted to their requirements. The training proposal, which will gradually increase within the coming months, currently includes classroom-based courses and online courses in machinery operation, occupational risk prevention, renewable resources, battery manufacturing and digital skills, among others.

"KIRLEO School of trade for professional training, upskilling and reskilling"

Kirleo has an Academic Advisory Board which will be composed of leading academics and training experts, as well as collaborations with other companies and specialists who require specific training.

Besides, the Kirleo Observatory will be responsible for ongoing assessment of new developments in employability. The result of these analyses will contribute to the finding of specific competence needs within the professional world, through the skills and attitudes that are most in demand in the corporate world.

Chatting at GAM

At GAM we continue to advance in our mission of being a collaborative, sustainable company with a commitment to people, environment and customers. Under the Social Innovation block of our Sustainability Project, we keep working on different initiatives such as #CharlandoEnGAM.

Through this initiative, in a collaborative way, we can have referents in the field of innovation, culture and sustainability.

In 2022, we had 8 editions, with:

- Amador Menéndez - IDONIAL Researcher
- Equipo Uniovi eTech Racing
- Borja Rubí and Javier García - RWB Partners
- Mikel Lasa - CEO Innoenergy Iberia
- Ramón Puente - Mobility expert
- Álvaro Dexeus - CEO Pleo in South Europe
- Gerardo Albornoz – Fundación Movember
- Juan Álvarez - Kirleo Marketing Manager

All were held in the Innovation Room at our headquarters in Asturias and were broadcast live and open.

GAM Forest

The third initiative in the Sustainability Plan block linked to Social Innovation is the creation of the GAM Forest. With the Asturian company Bosquia, an agreement was signed in 2021 for the creation of the GAM Forest. This involves the planting of around 500 trees in Candamo, in the Principality of Asturias. The area of Candamo was particularly affected by the severe fires that in the summer of 2017 broke out in Galicia and Asturias.

"The initiative will lead to the reduction of 205 tonnes of CO2 emissions, and will restore a degraded area and help rebuild its ecosystem"

The company's employees and their families took part in the first planting of the future GAM Forest, involving themselves in this activity. The area was reforested with a selection of native species based on a previous silvicultural study. Amongst the species, there were privet, buckthorn, holm oak, hawthorn, chestnut, arbutus and oak. Some people came in the vehicles of our last mile business, Inquieto.

Covid-19 measures

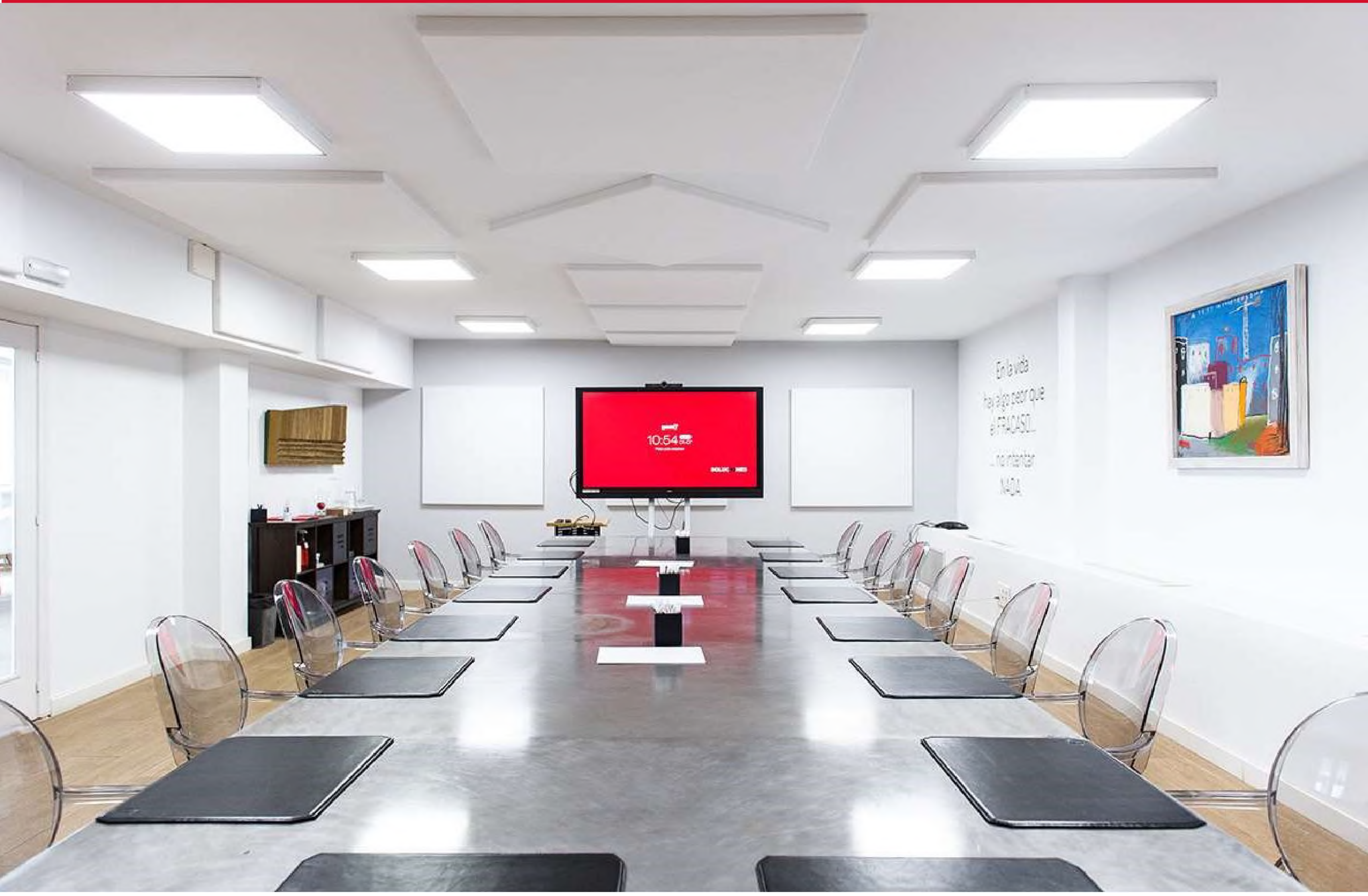
During 2022, the necessary measures remained in place at all times to guarantee the information and care of the health conditions of employees in the work centres, according to the indications established by the Health Authorities and GAM's internal procedures.

ERTES (temporary workforce restructuring plan)

During 2022, the ERTE was activated for the activity related to a client who drastically reduced its activity. It affected 34 of the company's operators.

	Female	Male	Total
Affected	0	34	34

Note. - For all the indicators corresponding to this section, except for the personal data as of year-end that are reflected on page 39, the company GDH has been excluded.



6 Gobierno Corporativo

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

Our corporate governance: transparent and effective

Through proper functioning of our corporate governance model we ensure the achievement of the company's objectives in line with our Strategic Plan. The framework we defined regulates and controls the actions of the Governing Bodies, sets the mechanisms to mitigate possible risks and frames the relations with our interest groups. In our organization we have policies and regulations in place that define how we operate on a day-to-day basis.

In this way we are able to ensure that governance at GAM is governed by the principles of efficiency and transparency in accordance with the main recommendations and existing standards, assuming advanced corporate governance practices, and aligned with the recommendations of the Code of Good Governance.

For he purposes of transparency, both the legal framework defined by the Group and the Annual Corporate Governance Report and the Annual Directors' Remuneration Report are available on the corporate website https://gamrentals.com/es/accionistas/gobierno-corporativo/informe-anual-de-retribuciones-del-consejo

Professional governing bodies

General Meeting of Shareholders

The General Meeting of Shareholders (GSM) is the highest representative body of shareholders. Its functions are regulated by the Articles of Association and the Rules of Procedure of the AGM. During the 2022 accounting period, the General Meeting of Shareholders was held on 24 May.

Board of Directors

Immediately after the Annual General Meeting, the Board of Directors is the Group's highest decision-making body. It is fully committed to the continuity of the company, firmly convinced that the new Strategic Plan will lead us to achieve the objectives set.

According to the Rules of Procedure, the Board of Directors is responsible for the achievement of the corporate purpose, the protection of general interests and the creation of value for the benefit of all shareholders. Therefore, the Board of Directors must be at all times guided by the criterion of maximizing the Group's value.

In application of the above criteria, the Board establishes and reviews GAM's business, commercial, industrial and financial strategies, planning and implementation of investment projects to maximize returns at reasonable risk.

In 2022 the Board of Directors met 7 times (7 times in 2021).

Members of the Board of Directors

Name	Occupation	Type of position
Mr. Pedro Luis Fernández Pérez (1)	Chairman and Chief Executive Officer	
Mr. Jacobo Cosmen Menéndez-Castañedo (2)	Coordinating Director	Independent
Ms. Verónica Pascual Boé	Director	Independent
Mr. Francisco López Peña	Director	Proprietary
Mrs. Patricia Riberas López	Director	Proprietary
Mr. Ignacio Moreno Martínez	Director	Independent

1. Mr. Pedro Luis Fernández is the Company's chief executive.

2. Mr. Jacobo Cosmen Menéndez Castañero is the Company's Coordinating Director.

Within the Board of Directors, and as shown in the curricula vitae included on our website *[https://gamrentals.com/es/accionistas/gobierno-corporativo/consejo-de-administracion],* the members have different knowledge, with some having a strong industrial character, others being more competent in energy and others having a financial profile.

GAM has diversity policies in place concerning the company's board of directors (e.g. age, gender, disability, education and professional experience).

Audit Committee

The Audit Committee is responsible, amongst other, for the supervision of financial reporting and the management of internal and external audit services, as well as for the supervision of legal and governance requirements.

Audit Committee Members

Audit committee members	Nature
Mr. Ignacio Moreno Martínez	Independent
Mr. Jacobo Cosmen Menéndez-Castañedo	Independent
Mrs. Patricia Riberas López	Proprietary

Mr. Ignacio Moreno Martínez is Chairman of the Audit Committee.

In 2022 the Audit Committee met 5 times.

Appointments, Remuneration and Sustainability Committee

The Appointment and Remuneration Committee is responsible for assessing the skills, knowledge and experience required from candidates to fill vacancies on the Board and Management Committee.

Members of the Appointment and Remuneration Committee

Audit committee members	Nature
Mrs. Verónica Pascual Boé	Independent
Mr. Jacobo Cosmen Menéndez-Castañedo	Independent
Mrs. Patricia Riberas López	Proprietary

Mr. Jacobo Cosmen Menéndez-Castañedo is Chairman of the Appointments, Remuneration and Sustainability Committee.

In 2022, it met 6 times.

Prepared to anticipate and manage risks

Integrated Risk Management System

Ultimately, management of the company's risks is responsibility of the Board of Directors, with operational management thereof being delegated to the Audit and Control Committee, which in turn relies on the Internal Audit function.

The Internal Audit function, in collaboration with the Management Committee of the different areas, is responsible for defining, reviewing and updating the main risks the Company faces, as well as for implementing measures to minimize the impact of the main risks detected.

The major tool available to the Company in defining the risk environment it faces is the Risk Map. This document is aimed to set an environment that enables the identification of the main risks faced by the Group in the management of its business, the assessment of the probability and possible impact of these risks on the financial statements and the degree of tolerance to them, as well as the identification of the controls that mitigate the impact of these risks on the consolidated annual accounts.

The level of risk deemed acceptable in the achievement of business objectives is ultimately determined by the Board of Directors, which has delegated the function of supervising and monitoring the control environment to the aforementioned Committee.

For the Company it is paramount that the Group as a whole, and in particular those persons who have a significant decision-making position, are aware of the main risks faced by the Group in the exercise of its responsibilities, which are set out in the Risk Map.

The Group assesses its risk tolerance considering the extent to which the risk affects its annual accounts and/or its reputation. For example, the Group’s risk tolerance is low for certain risks such as non-compliance with laws and regulations as well as safety, health and welfare of its employees, clients and the communities in which it operates.

The Risk Map sets out the main risks for the GAM Group based on the following criteria:

- I. Likeliness of occurrence and,
- II. Proportionality of the impact of risk on the consolidated annual accounts

The document is built on the assumption that the main risks affect the Group as a whole despite there being some that only affect one business, sector or geography where the Company operates. In this case, such circumstance is highlighted (e.g. risk of concentration of operations in the Iberian business, competitive environment in the rental business).

Further, each risk is assigned to one of the following four categories: strategic risk, compliance risk, information risk and operational risk.

Below there is a list of risks which, without the intent to be exhaustive or limiting, focuses on those that could have a greater degree of occurrence and impact on the Group's business model, solvency or liquidity, reputation or results.

This list may change over time with the addition of new risks and the removal of others.

1. Competitive environment in the lease sector.
2. Risk from territorial concentration in the Iberian market.
3. Risk from presence in emerging economies.
4. Risks linked to the integration of acquired companies.
5. Risk linked to the implementation of new businesses and projects.
6. Changes in market, technology or regulatory requirements.
7. Risks from the link to officially distributed brands.
8. Delays in manufacturing and delivery.
9. Volatility of cost.
10. Leakage or unavailability of key talent, or difficulty in attracting talent.
11. Failures in the management and information systems. Cyber risks.
12. Accident rate.
13. Difficulty in internal communication.
14. Share price and shareholder concentration
15. Non-compliance with legislation or contracts.
16. Fraud
17. Reporting errors.
18. Credit risk and recoverability of investments
19. Liquidity and debt risk

The ethical framework guiding us

We base our corporate culture on ethics, integrity and good governance.

The Code of Conduct is the fundamental rule of GAM. It contains the rules of conduct and ethical standards that are imperative for all those individuals who are part of the Company.

GAM Guidelines for Conduct

-Law compliance.

-Quality and excellence.

-Reputation and prestige.

- Protection and promotion of People and Culture.

-Respect and commitment to the environment.

- Confidentiality and transparency.

The Code sets specific rules of behaviour:

1. Of a general nature:

    a. Compliance with the law and GAM's rules of procedure.

    b. Respect for Human Rights

    c. Fight against corruption.

d. Prevention of money laundering and terrorism financing.

e. Compliance with accounting-financial and tax regulations.

f. Protection of personal data and industrial and intellectual property.

g. Defence of competition.

h. Behaviour in case of conflict of interest.

i. Truthfulness of information.

j. Professional secrecy.

k. Protection of assets and use thereof.

2. In the area of People and Culture:

a. Non-discrimination.

b. Promotion of vocational training.

c. Promotion of occupational health and safety.

d. Respect for the moral integrity and dignity of individuals.

3. In the area of relations with clients, suppliers and public bodies:

a. Rules for recruitment, selection and promotional activity.

Criminal Risk Prevention Model

From the Company's very inception, honesty, integrity, fair dealing and full compliance with all laws have guided the conduct of the business. Therefore, the company has its own Crime Prevention Model and Anti-Corruption Policy, in addition to the aforementioned code of conduct. These are the company's main tools for regulatory compliance and criminal prevention.

The first one, the Crime Prevention Model, responds to the need to identify and establish practices in each area that prevent or, where appropriate, significantly reduce the possibility of committing a crime within the Company; all as a result of the latest reforms in criminal law, which introduce the criminal liability of legal persons in our legal system. All of them have been the subject of customized training for the Company's employees, managers and directors.

Besides, the Anti-Corruption Policy establishes the specific guidelines for behaviour to be followed in the fight against corruption in the development of business activity, and which is imperative for all company employees. List of conducts that are prohibited and unacceptable:

- Offering (directly or indirectly) any kind of gift, benefit, present, advantage, retribution, etc... to an authority or public official to influence the conduct of their functions, duties, obligations, or to obtain an economic advantage.
- Any conduct aimed at extortion, fraud or bribery.
- Putting personal priorities before collective interests.
- Using personal relations with a public official or authority for financial gain.
- Solicitation of gifts from partners, counterparts, civil servants or public authorities.
- Public support to political parties.
- Prohibition of gifts from public officials or authorities, except in exceptional situations and with prior authorization from the Compliance Body.
- Prohibition of gifts from/to clients and suppliers that exceed normal business/complimentary practices (over 500 euros).

Preventive internal controls in the fight against corruption:

- Full compliance with internal regulations on means and terms of payment.
- Internal control of the economic and financial department and external audits.
- Justifying the economic transactions carried out.
- Prohibition of any false note, entry or record in the accounting books.
- Prohibition of the issuance of bearer cheques or blank cheques.
- Prohibition of current accounts not registered in the accounting records.

The above-described instruments shall help the Company to put in place its measures for the prevention of corruption and bribery.

In terms of anti-money laundering measures, all money transfers within the Company with its employees, contractors, suppliers, clients or any other group are carried out by persons with express powers of attorney and within the limits of such powers, by means of nominative securities or bank transfers. Cash payments are strictly forbidden unless the relevant amount is below the limit established in the regulations.

The GAM Group has prepared videos and training activities on corruption, to ensure effective dissemination to all members of staff of the possible scenarios relating to the criminal liability of legal persons. The purpose of this task is to inform and train all members of the Company in crime prevention and compliance with current legislation.

The whistleblowing channel under the Criminal Offences Prevention Plan is the means for this type of whistleblowing.

It is available at corporate website: https://canaldenuncias.gamrentals.com. During the accounting period 2022, no incidents or actual situations of harassment, allegations of corruption or bribery were reported.

Defence of Human Rights

Ensuring respect for human rights throughout the value chain is one of the Group's priorities. For this purpose we take as a reference, among others:

- The Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The Fundamental Principles and Rights at Work of the International Labour Organization (ILO)

This commitment is set out in paragraph 3 of the Code of Conduct on Standards of Behaviour in Relation to Human Rights, as follows: *"All actions of GAM and its members shall be strictly respectful with human rights and civil liberties, and all measures must be taken to ensure respect for fundamental rights, the principles of equal treatment and non-discrimination, protection against the exploitation of child labour and any other principles set out in the Universal Declaration of Human Rights and the United Nations Global Compact in the areas of human rights, labour rights, environment and anti-corruption. "*

The Group has in place the necessary reporting channels so that breaches of the Code and other inappropriate behaviour can be brought to the attention of the relevant personnel for processing. These channels ensure the confidentiality of the whistleblower and, if necessary, the Group guarantees its cooperation with the relevant authorities.

No complaints about human rights violations were received in 2022.

Responsible taxation

At GAM we are aware of the impact that appropriate tax management has on the economic stability of the countries and local populations where we operate.

To comply with applicable legislation, and to be responsible towards our interest groups, we have had a tax policy approved by the Board since 2017.

The Group's Tax Directorate is the executive department responsible for ensuring compliance with this policy. From this department, material taxation issues are escalated to the Management Committee. The associated risks are dealt with on a monthly basis by the Group's tax team, with the support of external advisors for the most relevant issues.

GAM is committed to creating long-term sustainable value for our interest groups (clients, people, shareholders, suppliers and society in general). To achieve this, our tax policy is based on the following:

- Ensuring that the GAM Group's taxation is appropriately related to the structure and location of its activities, human and material resources, and business risks of the same.
- Aligning tax policy and tax risk management and control systems with the rest of the GAM Group's policies (commercial, financial, human resources, corporate, etc.).
- Avoid using corporate or other structures to conceal or undermine the transparency of GAM's activities vis-à-vis the tax authorities.
- Not establishing themselves in territories that could be qualified as tax havens or tax havens with zero taxation, unless there are valid economic reasons for doing so.
- With relation to the transactions with related parties, assess them at their regular value in the market, following the principle of arm’s length and comply with the documentary obligations for transfer pricing in accordance with the applicable law in each case.

- GAM undertakes to periodically review its transfer pricing policy to have it adapted and updated to current regulations and the reality of the business.

- Follow the recommendations of the codes of good tax practice in force in the countries where GAM operates.
- Approve a specific procedural manual for tax management and control and for the supervision of GAM's internal information and tax control systems.

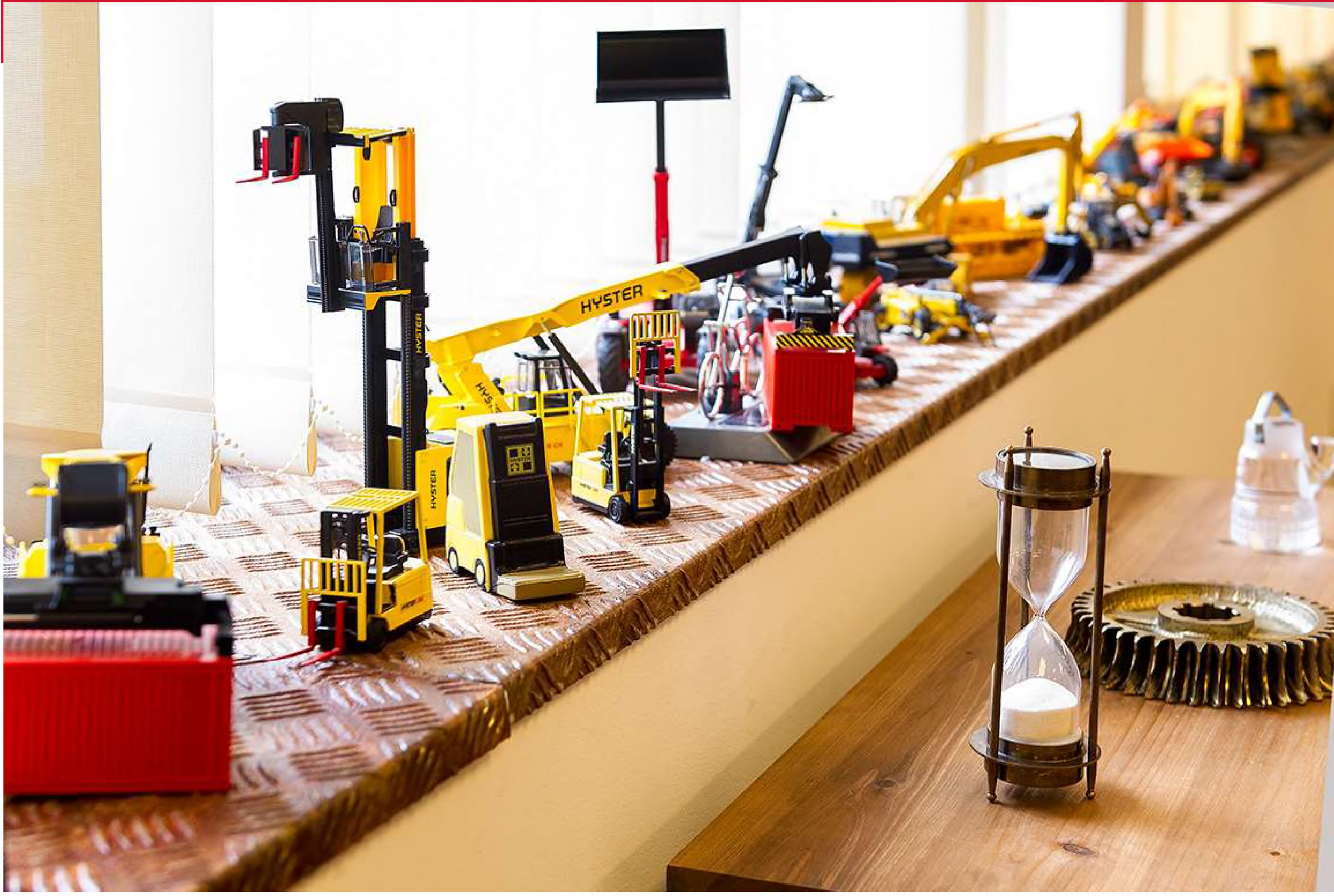
In addition, we have a certificate of Good Taxpayer Registration issued by SUNAT for our subsidiary GAM PERU.

As evidence of our contribution to the environment, we set out below the profit before tax by country and profit taxes paid by country for the accounting periods 2022 and 2021:

(figures in thousand euros)	**PROFIT BEFORE TAXES [1] 2022**	**PROFIT BEFORE TAXES [1] 2021**	**TAX ON INCOME PAID 2022**	**TAX ON INCOME PAID 2021**
SPAIN	(3,197)	(4,651)	610	
PORTUGAL	4,032	3,717	589	107
PERU	267	731	127	53
CHILE	2,063	1,656	427	675
MEXICO	2,413	1,789		
COLOMBIA	389	53	11	
DOMINICAN REPUBLIC	708	240	42	69
PANAMA	108	(356)		
MOROCCO	539	151		
ARABIA	(273)	190		
TOTAL CONSOLIDATED RESULT	**7,049**	**3,520**	**1,806**	**904**

[1] *Consolidated before allocation of corporate expenses, according to IFRS standards*

With regard to public subsidies, this year we were granted 2, one from the R+D+i centre (215,939€) and the other from IDEA (403,555€). The company is working on developing the project, completing it, and once justified, receiving the grant.



7 Anexos

gam

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

ANNEX 1: Supplementary environmental information.

Table. 1- *Hazardous waste managed by type in tonnes for the accounting periods 2022 and 2021.*

Type of waste	2022	2021
Used Oil	102.96	76.3
Contaminated packaging	11.11	4.95
Absorbents and rags	28.61	25.01
Antifreeze	3.28	3.39
Oil filters	14.55	11.16
Lead batteries	126.57	76.47
Oil/water separator sludge	53.49	56.49
Other waste	112.4	65.79
Total	**452.97**	**319.52**

Table. 2- *Non-hazardous waste (ferrous mental waste) in tonnes*

Type of waste	2022	2021
Ferrous metals	43.5	9.8

Table. 3- *Consumables*

	Paint (l)	Solvent (l)	Oil (l)	Grease (kg)	Toner (pcs)
SPAIN	10881	7636	104006	8548	125
CHILE	801.7	750	7209	604	12
COLOMBIA	1101.6	114	1332	16	1
MOROCCO	1942	1098	15000	945	14
MEXICO	1595	2937	11691	527	0
PERU	1287	5852	15913	226	180
PORTUGAL	1347.2	3547.45	26968.5	2941	0
DOMINICAN REPUBLIC	23	18	0	0	0
CONSOLIDATED	**18978.5**	**21952.5**	**182119.5**	**13807.0**	**332.0**

ANNEX 2: Supplementary information on individual personnel.

Table 1- *Total number of employees by country and gender at the end of the year 2022 and 2021*

Countries	31.12.22	31.12.21
Chile	68	60
Colombia	10	17
Dominican R	19	10
Spain	1,022	855
Morocco	40	35
Mexico	54	51
Panama	0	5
Peru	31	32
Portugal	89	85
Total	**1,333**	**1,150**

Tabla 2 – *Average number of contracts by type and age bracket*[1]

Contract type/Age bracket	2022			2021		
	< 25 years	> 25 and <= 40 years	> 40 years	< 25 years	> 25 and <= 40 years	> 40 years
Part-time contract	-	-	-	-	1	4
Temporary contract	12	50	56	15	61	39
Indefinite	24	381	713	21	396	567

Table 3 - *Average of contracts by type and gender* [1.2]

Contract types / Gender	2022		2021	
	Male	Female	Male	Female
Part-time contract	-	-	3	2
Temporary contract	94	24	100	15
Indefinite	903	215	805	179
Total	**997**	**239**	**908**	**196**

Table 4 – *Average number of contracts by type and occupational category*[1]

Professional category / Contract modalities	2022		
	Part-time contract	Temporary contract	Indefinite
Senior officers	-	-	104
Middle management	-	34	395
Operators	-	84	619
Total	**-**	**118**	**1,118**

[1]GDH employees are not included

Professional category / Contract modalities	2021		
	Part-time contract	Temporary contract	Indefinite
Senior officers	-	1	121
Middle management	1	27	366
Operators	4	87	497
Total	**5**	**115**	**984**

Table 5 - *Number of dismissals by gender*[1]

2022			2021		
Male	**Female**	**Total**	**Male**	**Female**	**Total**
41	4	45	58	6	64

Table 6 - *Number of redundancies by age bracket* [1]

2022				2021			
< 25 years	**> 25 and <= 40 years**	**> 40 years**	**Total**	**< 25 years**	**> 25 and <= 40 years**	**> 40 years**	**Total**
1	16	28	45	5	21	38	64

Table 7 - *Number of redundancies by professional category*[1]

2022				2021			
Senior officers	Middle management	Operators	**Total**	Senior officers	Middle management	Operators	**Total**
6	10	29	45	8	22	34	64

Table 8 - *Training hours by geographical area*

2022				
Hours of training by category	**Officer**	**Middle management**	**Operators**	**Total Hours**
Colombia	26	86	96	208
Chile	0	0	32	32
Peru	7.5	93.5	188	289
Dominican Republic	0	0	10	10
Mexico	5	162.5	56	223.5
Portugal	0	323	276	599
Morocco	0	0	0	0
Panama	0	0	0	0
Spain	1,644.94	10,918.52	4,408.51	16,971.97
				18,333.47

[1]*GDH employees are not included*

Table 9 - Accident rates

SUMMARY ON CONSOLIDATED ACCIDENT RATE GAM 2022 MALE WORKFORCE

2022 MEN	N.º WORK***	No. ACCIDENTS			LOST DAYS (labour accident)	MEAN DURATION OF SICK DAYS (Work accident)	II excl. TI	IF excl. TI	I. ISSUE*	I. FREQUENCY*	I. SEVERITY*
		NO ITINERE	ITINERE	TOTAL							
SPAIN	740.2	51	2	53	1524	28.8	68.9	38.3	71.6	39.8	1.1
CHILE	54.0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
COLOMBIA	11	0	0	0	0	0	0.0	0.0	0.0	0.0	0.00
MOROCCO	34	2	0	2	50	25	58.8	32.7	58.8	32.7	0.8
MEXICO	39	0	3	3	61	20.3	0.0	0.0	76.9	42.7	0.9
PERU	30	0	1	1	28	28	0.0	0.0	33.3	18.5	0.5
PORTUGAL	72.5	9	1	10	184	18.4	124.1	69.0	137.9	76.6	1.4
DOMINICAN	11	0	1	1	11	0	0.0	0.0	90.9	50.5	0.6
CONSOLIDATED h	991.7	62	8	70	1858	26.5	62.5	34.7	70.6	39.2	1.0

**The table does not include the Panama details, since the Company does not have the accident details.

Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails

SUMMARY ON CONSOLIDATED ACCIDENT RATE GAM 2022 FEMALE WORKFORCE

2022 WOMEN	N.º WORK***	No. ACCIDENTS			LOST DAYS (labour accident)	MEAN DURATION OF SICK DAYS (Work accident)	II excl. TI	IF excl. TI	I. ISSUE*	I. FREQUENCY*	I. SEVERITY*
		NO ITINERE	ITINERE	TOTAL							
SPAIN	185.2	0	1	1	2	2.0	0	0	5.4	3.0	0.01
CHILE	12	0	0	0	0	0.0	0	0	0.0	0.0	0.00
COLOMBIA	4	0	0	0	0	0.0	0	0	0.0	0.0	0.00
MOROCCO	3	0	0	0	0	0.0	0	0	0.0	0.0	0.00
MEXICO	15	0	0	0	0	0.0	0	0	0.0	0.0	0.00
PERU	4	0	0	0	0	0.0	0	0	0.0	0.0	0.00
PORTUGAL	12.5	0	0	0	0	0.0	0	0	0.0	0.0	0.00
DOMINICAN	6	0	0	0	0	0.0	0	0	0.0	0.0	0.00
CONSOLIDATED m	241.7	0	1	1	2	2.0	0	0	4.1	2.3	0.00

**The table does not include the Panama details, since the Company does not have the accident details.

ANNEX 3: European Environmental Taxonomy

INTRODUCTION

On 22 June 2020, European Union Regulation (EU) 2020/852 was published to contribute to the redirection of capital flows towards more sustainable activities. The purpose is to respond to initiatives such as the Green Pact, the Paris Agreement or the Sustainable Development Goals, contributing to the transformation of the current economic model towards a carbon-neutral one.

The regulation sets out a taxonomy, based on science, and six environmental objectives to which such activities could contribute. The implementation of the "European Environmental Taxonomy" will be applied gradually and will be complemented by a specific environmental taxonomy to assess the contribution to social objectives.

The Delegated Regulation (RD) (EU) 2021/2139 sets out the technical criteria for considering that an economic activity contributes to climate change mitigation or adaptation, and determines whether it does not cause significant harm to the remaining environmental objectives (circular economy, water and marine resources, pollution prevention and control and biodiversity). RD (EU) 2021/2178 specifies the content, presentation of information and methodology to be disclosed by companies bound to compliance with Articles 19a or 29a of Directive 2013/34/EU. This is GAM's case.

In this context, the following concepts are distinguished:

Eligibility

- **Eligible:** activities included in (RD) (EU) 2021/2139 Annex I (mitigation) and/or Annex II (adaptation), as identified as having potential for alignment.
- **Non-eligible:** activities not included in (RD) (EU) 2021/2139.

Alignment

- **Eligible aligned:** eligible activities that meet the technical screening criteria (TSC) of the environmental objective, ensure that they do not significantly undermine the other environmental objectives (DNSH) and that they are conducted in a manner that ensures the required social safeguards.
- **Eligible non-aligned:** eligible activities that do not currently meet the requirements for alignment (CTS, DNSH and Social Safeguards).

According to the provisions of RD (EU) 2021/2178, with information for the accounting period 2021, it is required to report the percentage of INCN (Net Turnover), CapEX ("capital expenditure") and OpEX ("operation expenditure"), of the company's activities that are eligible and ineligible. With information from 2022 accounting period, in addition to the eligibility mentioned above, it is required to report the indicators indicated whether it is aligned or not.

GAM POSITIONING

Scope of the report

All the companies within the GAM Group's consolidation perimeter have been considered in the analysis conducted to establish the eligible and aligned activities under the European Commission's criteria for the Taxonomy.

Results

Below, we detail the eligibility and alignment of our activities and provide an explanation of our results and our calculations.

Proporción de la cifra de negocio (CN) derivada de productos y servicios asociados a las actividades alienadas con la taxonomía. Año 2022.

				Criterio de contribución sustancial		Criterios DNSH (No causar un perjuicio significativo)										
Actividad económica	Código(s)	Cifra de negocio absoluta	Porcentaje de la Cifra de Negocio	Mitigación del cambio climático	Adaptación al cambio climático	Mitigación del cambio climático	Adaptación al cambio climático	Uso sostenible y protección de los recursos hídricos y marinos	Transición hacia una economía circular	Prevención y control de la contaminación	Protección y recuperación de la biodiversidad y los ecosistemas	Salvaguardias mínimas	Proporción de CN alineadas con la taxonomía, año 2022	Proporción de CN alineadas con la taxonomía, año 2021	Categoría (Actividad facilitadora)	Categoria (Actividad de transición)
A. ACTIVIDADES ELEGIBLES		Miles de euros	%													
A.1 Actividades medioambientalmente sostenibles (alineadas a la taxonomía)																
Cifra de negocio de las actividades medioambientalmente sostenibles (Alineadas a la taxonomía) (A.1)	N/A	0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A	N/A
A.2 Actividades elegibles pero no medioambientalmente sostenibles (actividades no alineadas)																
Venta y alquiler de vehículos cero emisiones	6.15 (anexo 1)	1.853	0,83%													
Cifra de negocio de las actividades elegibles pero no medioambientalmente sostenibles (actividades no alineadas)(A.2)		1.853	0,83%													
Total (A.1 + A.2)		1.853	0,83%										0%	N/A	N/A	N/A
B. ACTIVIDADES NO ELEGIBLES																
Cifra de negocio de las actividades no elegibles (B)		221.386	99,17%													
Total (A + B)		223.239	100%													

Proporción de CAPEX derivada de productos y servicios asociados a las actividades alienadas con la taxonomía. Año 2022.

				Criterio de contribución sustancial		Criterios DNSH (No causar un perjuicio significativo)										
Actividad económica	Código(s)	CAPEX absoluta	Porcentaje de CAPEX	Mitigación del cambio climático	Adaptación al cambio climático	Mitigación del cambio climático	Adaptación al cambio climático	Uso sostenible y protección de los recursos hídricos y marinos	Transición hacia una economía circular	Prevención y control de la contaminación	Protección y recuperación de la biodiversidad y los ecosistemas	Salvaguardias mínimas	Proporción de CAPEX alineadas con la taxonomía, año 2022	Proporción de CAPEX alineadas con la taxonomía, año 2021	Categoría (Actividad facilitadora)	Categoria (Actividad de transición)
A. ACTIVIDADES ELEGIBLES		Miles de euros	%													
A.1 Actividades medioambientalmente sostenibles (alineadas a la taxonomía)																
CAPEX de las actividades medioambientalmente sostenibles (Alineadas a la taxonomía) (A.1)	N/A	0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A	N/A
A.2 Actividades elegibles pero no medioambientalmente sostenibles (actividades no alineadas)																
Venta y alquiler de vehículos cero emisiones	6.15 (anexo 1)	36.284	39,33%													
CAPEX de las actividades elegibles pero no medioambientalmente sostenibles (actividades no alineadas)(A.2)		36.284	39,33%													
Total (A.1 + A.2)		36.284	39,33%										0%	N/A	N/A	N/A
B. ACTIVIDADES NO ELEGIBLES																
CAPEX de las actividades no elegibles (B)		55.977	60,67%													
Total (A + B)		92.261	100%													

Proporción de OPEX derivada de productos y servicios asociados a las actividades alienadas con la taxonomía. Año 2022.

				Criterio de contribución sustancial		Criterios DNSH (No causar un perjuicio significativo)										
Actividad económica	**Código(s)**	**OPEX absoluta**	**Porcentaje de OPEX**	**Mitigación del cambio climático**	**Adaptación al cambio climático**	**Mitigación del cambio climático**	**Adaptación al cambio climático**	**Uso sostenible y protección de los recursos hídricos y marinos**	**Transición hacia una economía circular**	**Prevención y control de la contaminación**	**Protección y recuperación de la biodiversidad y los ecosistemas**	**Salvaguardias mínimas**	**Proporción de OPEX alineadas con la taxonomía, año 2022**	**Proporción de OPEX alineadas con la taxonomía, año 2021**	**Categoría (Actividad facilitadora)**	**Categoria (Actividad de transición)**
A. ACTIVIDADES ELEGIBLES		Miles de euros	%													
A.1 Actividades medioambientalmente sostenibles (alineadas a la taxonomía)																
OPEX de las actividades medioambientalmente sostenibles (Alineadas a la taxonomía) (A.1)	N/A	0	**0%**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**0%**	N/A	N/A	N/A
A.2 Actividades elegibles pero no medioambientalmente sostenibles (actividades no alineadas)																
Venta y alquiler de vehículos cero emisiones	6.15 (anexo 1)	1.224	5,33%													
OPEX de las actividades elegibles pero no medioambientalmente sostenibles (actividades no alineadas)(A.2)		1.224	5,33%													
Total (A.1 + A.2)		1.224	**5,33%**										**0%**	**N/A**	**N/A**	**N/A**
B. ACTIVIDADES NO ELEGIBLES																
OPEX de las actividades no elegibles (B)		21.741	**94,67%**													
Total (A + B)		22.965	**100%**													

Description of eligible and non-eligible activities

To identify whether the GAM Group carries out activities that can be classified as eligible, we set out the main activities of the Group, and assess whether any of them fit within those described in the Taxonomy. With the tool implemented by the European Commission "EU Taxonomy Compass " https://ec.europa.eu/sustainable-finance-taxonomy,and as indicated in the delegated act on climate change where the eligible activities for the environmental objective "Mitigation of Climate Change" and the environmental objective "Adaptation to Climate Change" are detailed, we have established whether any of the activities carried out by the GAM Group are considered eligible within the activities detailed in the Taxonomy. The analysis carried out by a transversal work team, led by the Finance area, leads to the following conclusions:

Activities of the GAM Group

- **Training:** certified operator training through open courses, tailor-made programmes and in-company training - *We determined that this does not fit into any of the activities described within the Taxonomy for the above environmental objectives*.
- **Drone engineering and mobile robotics:** Industry solutions associated with the development, rental, and maintenance of drones and mobile robotics (AGVs) - *We determined that this does not fit any of the activities described within the Taxonomy for the environmental objectives above*.
- **Event organization and production:** Full service event organization, technical design, audiovisual equipment hire, structure and power (generators) - *We determined that this does not fit any of the activities described within the Taxonomy for the environmental objectives mentioned*.
- **Modular structures:** Rental of modular buildings (site huts and other modules) - *We determined that this does not fit any of the activities described within the Taxonomy for the above environmental objectives*.
- **Purchase and sale of machinery:** This activity includes the purchase and sale of 100% electric or zero-emission machinery, which could be included in the activities described in the taxonomy. - *We established that this corresponds with the activity **"6.5 Transport by motorbikes, passenger cars and light commercial vehicles"** as described under the taxonomy for the environmental goals above mentioned.*
- **Rental and maintenance of machinery:** This activity includes the rental of 100% electric or zero-emission machinery, which could be included in the activities described in the taxonomy. - *We established that this corresponds with the activity **"6.5 Transport***

***by motorbikes, passenger cars and light commercial vehicles”** as described under the taxonomy for the environmental goals above mentioned.*

The Group's activities include the rental, maintenance and purchase and sale of machinery, with a significant percentage of it being electric or zero-emission. In particular, by the end of 2022, more than 79% of our fleet will be zero-emission. As mentioned above, based on the EU Taxonomy Compass, this activity of the Group could fall under the following Eligible activity.

6.5 Transport by motorbikes, passenger cars and light commercial vehicles.	Acquisition, financing, rental, leasing and operation of vehicles classified under categories M1 and N1.

The bulk of the Group's machinery consists of pallet trucks, mini-excavators, cranes or other equipment that does not fall under this definition. The company Inquieto Moving Attitude, however, is dedicated to the sale and rental of zero-emission vehicles associated with last-mile delivery such as quadricycles, motorbikes or vans. These fall within the definitions of vehicles covered. This activity can be understood as falling under Article 10 of the regulation, specifically under point 1. C) increasing clean or climate-neutral mobility.

Alignment analysis

As indicated in the introduction, to analyse whether our identified eligible activity (activity of the company Inquieto Moving Attitude in activity 6.5 of Annex I), is aligned, we proceeded to analyse of compliance with the technical screening criteria (TSC) of the environmental mitigation goal, the associated DNSH, and as compliance with the required social safeguards.
Based on the results from the analysis, the conclusion is that we do not meet all the requirements for the activity to be aligned. Therefore, the activity is classified as eligible and not aligned.
However, it should be noted that we have set ourselves a roadmap with actions to be taken in the future to align our eligible activity with the objective of contributing to the de-carbonization targets set by the European Union.

Indicators description

Turnover: The turnover ratio referred to in Article 8(2)(a) of Regulation (EU) 2020/852 shall be calculated as the share of net turnover from products or services, including intangibles, associated with economic activities that are compliant with the taxonomy (numerator), divided by net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU.

In particular, in the case of GAM, the denominator corresponds to the net turnover of the consolidated annual accounts for the 2021 accounting period. The numerator corresponds to the net turnover of the consolidated annual accounts of the activities we considered eligible in the Taxonomy.

CAPEX: The CapEx ratio referred to in Article 8(2)(b) of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator; the denominator being the additions to tangible and intangible assets during the relevant accounting period before depreciation, amortization and any revaluations, including those resulting from revaluations and impairments, for the relevant accounting period, excluding changes in fair value. The denominator shall also include additions to tangible and intangible assets resulting from business combinations.

In particular, in the case of GAM, the denominator corresponds to the total additions to cost in 2022 of tangible fixed assets and intangible fixed assets reflected in the movement of fixed assets in the consolidated annual accounts. The numerator corresponds to the amount of additions in cost in tangible fixed assets and intangible fixed assets of the activities we have considered eligible in the Taxonomy.

OPEX: The OpEx ratio referred to in Article 8(2)(b) of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator; the latter including non-capitalised direct costs related to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct costs related to the day-to-day maintenance of tangible fixed assets, by the company or a third party to whom activities are outsourced, and which are necessary to ensure the continued effective operation of those assets

In particular, in the case of GAM, the denominator corresponds to the accounts for expenses and deferral, maintenance and repairs, as well as any other expenses linked to the daily maintenance of these assets, such as maintenance staff costs. The numerator corresponds to the amount of these expenditure accounts that are associated with the activities we have considered eligible in the Taxonomy.

ANNEX 4: Report parameters and table of contents

Reporting parameters

General de Alquiler de Maquinaria S.A. drafts this Statement of Non-Financial Information which has been prepared following the requirements established in Law 11/2018 of 28 December, amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing of Accounts, in matters of non-financial information and diversity, published in the Official State Gazette on 29 December 2018.

This Statement of Non-Financial Information has been prepared in accordance with the contents included in the current mercantile regulations and following the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI standards) selected, as well as those other criteria described in accordance with what is mentioned for each subject in the table "Index of contents required by Law 11/2018".

It covers the period from 1 January to 31 December 2022. The information contained therein for the accounting period 2021 is presented for comparative purposes with the information for the accounting period 2022.

Within the scope of the study consideration was given to countries which, together, represent the largest number of employees and turnover of the entire Group, with 95% of the total workforce and business, respectively: Spain, Portugal, Morocco, Colombia, Chile, Peru, Mexico, Panama, Dominican Republic, which means a total number of employees of 1,333 by the end of 2022 (1,150 employees by 31 December 2021).

Further, a materiality analysis has been performed for the 2022 accounting period, which includes the level of relevance for each of the sections included in the Non-Financial Reporting Law and which will be the basis for the development of the actions that the company must undertake in the mid and long term. This analysis entailed the identification of the most relevant aspects for the sector through external reference prescribers and internal consultations on their impact on the company.

Materiality is the principle that determines which material issues are so important that reporting on them is critical. Not all material issues are of equal importance and the emphasis assigned to them in the reports is expected to reflect their relative priority. When establishing materiality, the organization should consider both the results of interest group engagement processes and the general expectations of society that are not directly identified through interest group engagement processes.

The interest groups are those entities or individuals from whom it can be reasonably expected that will be materially affected by the activities, products or services delivered by the reporting organization, or whose actions can be expected to impact on the organizations' capacity to successfully carry out its strategies and achieve its goals. This includes, among others, entities or individuals whose rights under legislation or international conventions give them legitimate rights vis-à-vis the organization.

Systematic interest groups engagement, if properly executed, usually results in continuous learning for the organization, as well as increased accountability to interest groups. Accountability strengthens trust between the organization and its interest groups. Trust, in turn, strengthens the credibility of the report.

Index of contents required by Law 11/2018

Non-financial reporting law content	Reporting criteria: Selected GRIs (latest version if not otherwise stated)	Page
GENERAL INFORMATION		
Description of the business model including its business environment, organization and structure	GRI 2-6 (2021)	4 -12, 54 - 55
Markets in which it operates	GRI 2-1 (2021) GRI 2-6 (2021)	
Organizational objectives and strategies	GRI 2-1 (2021) GRI 2-22 (2021)	
Main factors and trends that may affect its future development	GRI 3-3 (2021) GRI 2-22 (2021)	
Reporting framework used	GRI 1 (2021)	70 -71
Principle of materiality	GRI 3-1 (2021) GRI 3-2 (2021)	16-18, 70 -73
ENVIRONMENT		
Environmental management		
Management approach: Policies and risks	GRI 3-3 (2021)	24 -29, 54 - 55
Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety	GRI 3-3 (2021)	24 -29
Environmental assessment or certification procedures	GRI 3-3 (2021)	25
Resources dedicated to environmental risk prevention	GRI 3-3 (2021)	25
Application of the precautionary principle	GRI 2-23 (2021)	24 -29
Amount of provisions and guarantees for environmental risks	GRI 3-3 (2021)	25
Pollution		
Measures to prevent, reduce or remedy emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	GRI 3-3 (2021) GRI 305-7	24 -29
Circular economy and waste prevention		
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	GRI 306-1 GRI 306-2 GRI 306-3 a 306-4	31 -36, 61
Actions to fight food waste	-	Since GAM's core business focuses on the machinery environment, it is not considered to be material
Sustainable use of resources		
Water consumption and water supply according to local constraints	GRI 303-5	26
Consumption of raw materials and measures taken to improve the efficiency of raw material use	GRI 301-1 GRI 301-3	31 -36, 61

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Direct and indirect energy consumption	GRI 302-1	24-26
Measures taken to improve energy efficiency	GRI 3-3 (2021) GRI 201-2	24-29
Use of renewable energies	GRI 302-1	24-29
Climate change		
Significant elements of greenhouse gas emissions resulting from the company's activities, including the use of the goods and services it produces	GRI 305-1 GRI 305-2 GRI 305-3	24-29
Measures adopted to adapt to the effects of climate change	GRI 3-3 (2021) GRI 201-2	24 – 29, 50
Voluntary mid- and long-term reduction targets set to reduce greenhouse gas emissions and the means implemented to this end	GRI 3-3 (2021) GRI 305-5	24 – 29, 50
Biodiversity		
Biodiversity protection: Measures taken to preserve or restore biodiversity	GRI 3-3 (2021) GRI 304-3	50
Biodiversity protection: Impacts caused by activities or operations in protected areas	-	Given the activity and location of GAM's facilities, the impact on protected areas is not material
SOCIAL AND EMPLOYEE-RELATED MATTERS:		
Employment		
Management approach: Policies and risks	GRI 3-3 (2021)	38 – 50, 54 - 55
Total number and distribution of employees according to criteria representing diversity (gender, age, country, professional classification)	GRI 405-1	38 - 40, 62
Total number and distribution of types of employment contracts, average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and occupational classification	GRI 2-7 (2021)	40 - 41, 62 - 63
Number of redundancies by gender, age and occupational classification	GRI 3-3 (2021) GRI 401-1	63
Average remuneration and their evolution broken down by gender, age and occupational classification or equal value	GRI 3-3 (2021)	41-42
Wage gap, the remuneration for equal or average jobs in society	GRI 3-3 (2021) GRI 405-2	41-42
The average remuneration of directors and executives, including variable remuneration, allowances, indemnities and payments to long-term savings schemes and any other payments broken down by gender	GRI 3-3 (2021)	41-42
Implementation of work disengagement policies	GRI 3-3 (2021)	42 -44
Employees with disabilities	GRI 3-3 (2021) GRI 405-1	45 -46
Work organization		
Organization of working time	GRI 3-3 (2021)	43 -44
Number of absence hours	GRI 3-3 (2021) GRI 403-9	43 -44

Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by both parents	GRI 3-3 (2021)	43 -44
Health and safety		
Health and safety conditions at work	GRI 3-3 (2021) GRI 403-1 a 403-8	47
Accidents at work, in particular their frequency and severity, as well as occupational diseases; disaggregated by gender.	GRI 403-9 GRI 403-10	47, 64 - 65
Corporate relationships		
Organization of social dialogue, including procedures for informing and consulting with staff and negotiating with them	GRI 3-3 (2021)	42-44
Mechanisms and procedures implemented by the company to promote the involvement of employees in the management of the company, in terms of information, consultation and participation	GRI 3-3 (2021)	42-44
Percentage of employees covered by collective bargaining agreements by country	GRI 2-30 (2021)	42-44
The balance sheet of collective bargaining agreements, particularly in the field of health and safety at work	GRI 3-3 (2021) GRI 403-4	42-44
Training		
The policies implemented in the field of training	GRI 404-2	44 – 45, 48 - 49
The total number of training hours per professional category	GRI 3-3 (2021) GRI 404-1	45, 63
Universal accessibility		
Universal accessibility for people with disabilities	GRI 3-3 (2021)	45 -46
Equality		
Measures taken to promote equal treatment and opportunities for women and men	GRI 3-3 (2021)	45 -47
Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men), measures to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities	GRI 3-3 (2021)	45 -47
The policy against all types of discrimination and, where appropriate, diversity management	GRI 3-3 (2021)	45 -47
HUMAN RIGHTS		
Management approach: Policies and risks	GRI 3-3 (2021)	57-58
Implementation of human rights due diligence procedures; prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and redress any eventual abuses committed	GRI 2-23 (2021) GRI 2-26 (2021)	57-58
Complaints of human rights violations	GRI 3-3 (2021) GRI 406-1	58

Promotion and enforcement of the provisions of the International Labour Organization's core conventions relating to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour.	GRI 3-3 (2021)	57-58
FIGHT AGAINST CORRUPTION AND BRIBERY		
Measures taken to prevent corruption and bribery	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-26 (2021) GRI 205-3	54-57
Management approach: Policies and risks	GRI 3-3 (2021)	54-57
Measures to fight money laundering	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-26 (2021) GRI 205-2 GRI 205-3	56-57
Contributions to charities and non-profit organizations	GRI 2-28 (2021) GRI 201-1 GRI 415-1	18-22
SOCIETY		
Company's commitment to sustainable development		
Management approach: Policies and risks	GRI 3-3 (2021)	18 – 22, 54 - 56
The impact of the company's activity on employment and local development	GRI 3-2 (2021)	14 – 16, 18 - 22
The impact of the Company's activity on local populations and the territory	GRI 3-3 (2021) GRI 413-1	14 – 16, 18 - 22
Relations with local community actors and the modalities of dialogue with them	GRI 2-29 (2021) GRI 413-1	14 – 16, 18 - 22
Partnership or sponsorship actions	GRI 3-3 (2021)	18-22
Outsourcing and suppliers		
Inclusion of social, gender equality and environmental issues in procurement policy	GRI 3-3 (2021)	21 -22
Consideration in relations with suppliers and outsourcers of their social and environmental responsibility	GRI 2-6 (2021)	21 -22
Monitoring and audit systems and results of the same	GRI 2-6 (2021)	21 -22
Consumers		
Measures for consumer health and safety	GRI 3-3 (2021)	22
Complaint systems, complaints received and the settlement of the same	GRI 3-3 (2021)	22
Tax information		
Country-by-country benefits	GRI 3-3 (2021) GRI 207-4	58-59
Taxes on profits paid	GRI 3-3 (2021) GRI 207-4	58-59
Public subsidies received	GRI 201-4	58-59